

**KREVER: A Harsh Rebuke**

**ASIA: Fears of the Fallout**

**TITANIC**

The myth and  
the movie



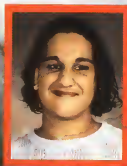
# Maclean's

CANADA'S WEEKLY NEWSMAGAZINE

DECEMBER 8, 1997

## BAD GIRLS

**A PARENTS'  
NIGHTMARE:**  
missing the  
danger  
signs



The brutal murder of  
Reena Virk, 14,  
sounds an alarm  
about rising violence  
among teenage girls

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# Maclean's

CANADA'S WEEKLY NEWSMAGAZINE

# This Week

DECEMBER 8, 1997 VOL. 113 NO. 49

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## Cover

### 12 Bad girls

Eight British Columbia teens, seven of them female, are charged after the brutal murder of 34-year-old Rosemary's. The incident shows troubling questions about increasing violence among teenage girls—and the mounting pressures facing adolescents.



## Features

### 20 A harsh rebuke

Although the long-awaited report by Justice Minister Royce says the dumping and negligence underlying Canada's federal blood scandal, critics say the inquiry did not go far enough.



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Canadian James Cameron's *The Terminator* Hollywood's unstoppable target. His film is a disaster flick and period romance, a magnificent spectacle.



### 38 Fears of the fallout

After financial turmoil dominated the APAC summit—and increasingly affected Canadians.

COVER PHOTO BY D. ANDERSON FOR MACLEAN'S; PHOTO BY J. HARRISON

# From The Editor

## Breaking the public trust



**T**he province listed the source of the shipment simply as "AIDS Plasma Center, Grady, Ark." What officials at the Toronto-based Canadian Blood Services Ltd. did not know was that the centre actually was in a state prison and the blood, purchased through a broker in the United States, had been taken from inmates—a population notoriously at risk of AIDS and other infections. For almost a year, *Canoe* might unknowingly used the plasma to produce the factor VIII protein essential in the treatment of hemophilia. The disclosure of the plasma's origin was made only when Arkansas authorities discovered that anti-



Blood: too integrated system?

shipped in early 1980 had been taken from inmates who had tested positive for hazardous hepatitis B. No one in Canada had bothered to check out the source in Grady. In the United States, blood of fabled had already voluntarily agreed not to use blood products from prison plasma. That is only one of the hair-raising case histories detailed in the 1,138 pages of reports by the commission of inquiry under Justice Hanser Krevier of the Ontario Council of Appeal that a chastised federal health minister, Allan Rock, released last week. After 347 days of hearings since its formation in 1980, Krevier delivered a scathing indictment of the treacherous men and women in authority who, seemingly more interested in covering their own tracks, bungled and botched the administration of Canada's blood system, allowing more than 60,000 citizens to become infected with AIDS or hepatitis. (page 20)

In part, the report might serve as the script for a sci-fi horror story—were it not for the human tragedy of death and illness visited on unsuspecting Canadians and their families. In one of the most telling passages, Krevier quotes from a letter that a hemophiliac sent to the premier of his province after contracting hepatitis C and HIV

from tainted blood products: "As a man," he wrote, "I hope you can appreciate and understand the necessity of responding to your sexual desires. But do you fully appreciate what it does to a person to be such night for five or more years with the woman you love, the mother of your children, and be constantly afraid to touch her for fear that both of you will die of AIDS and that as a direct result of your actions your wife will die and your children will be both motherless and fatherless." The man, having quit his \$20,000 a year job because of illness, subsequently split up with his wife. The irony, he added, is "when we desperately need a stable, loving relationship to fight the stress of AIDS—we are denied it."

Denial seemed to be the watchword of Canadian officials throughout the saga—from the government at Health and Welfare, which regulated the national blood system, and the Red Cross, which operated it, to the Canadian Blood Committee, which funded it for the provinces, and the companies that made the products. They were negligent in their duty to protect the public. As Krevier put it: "The truth is that during the entire relevant period, no integrated system existed." In deed, the people in charge broke the public trust when they stacked their hands in the sand, governing the spread of HIV and AIDS to blood products.

They broke the trust when they delayed the implementation of a safer, heat-treated plasma for hemophiliacs. They broke the trust when they allowed companies to import blood that was sold by mistake in U.S. prisons. To be honest, their actions were, in a word, criminal. The authorities should investigate.

*Robert Lewis*

## Newsroom Notes:

### Girls who kill

Re. McLean's correspondent Paul Pelton go twisted across the country this year, he kept hearing about young girls, aged 12 to 16, who were caught up in astonishingly violent crimes, including murder. "Because they involved young offenders, most of the cases were not widely reported beyond the local area, but they seemed to be everywhere," Pelton says. Last week, the first

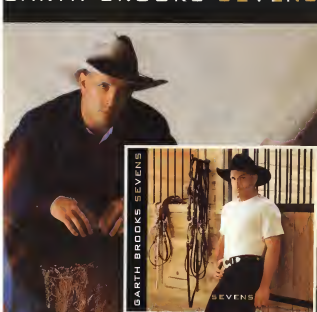
murder of 14-year-old Renee Virk in Victoria raised questions about why early-teens girls fell into lives of crime and murder, the subject of this week's cover package. For the main story, Senior Writer Patricia Chabon drew on her own interviews and contributions from Pelton and Researcher-Reporter Catherine Roberts in Toronto, justice reporters Dale Eiler in Calgary, Jennifer Hunter in Vancouver and Brenda Branswell in Montreal, along with Cindy Hammett and Steve Houser in Ottawa and Suzanne Miller in Halifax. Assistant Editor Danyla Hawesinski, copyright

girls. Senior Editor Peter Kopelman edited the package. "It was very much a team effort," Chabon says.

### The mail

If the postal strike prevents normal delivery of *Maclean's* again this week, the magazine will be distributed primarily in news with a high percentage of subscribers and will be available on-line at the *Maclean's Web site* ([www.macleans.ca](http://www.macleans.ca)). Subscribers also can pick up copies at Rogers Video outlets and at Maclean's Reader Service. Subscriptions will be extended by the number of issues disrupted by the strike.

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## THE ALBUM OF A LIFETIME

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Students at McGill University: higher fees for non-Quebecers

## Rating the rankings

Notwithstanding the poor rating ascribed by *Maclean's* to my university ("Univer sities '97," Cover, Nov. 24), the University College of Cape Breton, such performance evaluations are necessary as incentives for institutions of higher learning to achieve the academic excellence that Canadians pay for, expect and deserve. Your survey praises UCCB right in its Achilles' heel, that of having the lowest operating budget among universities in Canada. But at the same time, you may have done UCCB an injustice by drawing national attention to the gross underfunding of the university in comparison with other universities. I hope, as your future annual surveys, you continue to highlight that the lowest-funded university inevitably produces some of the lowest competitive performance ratings of the country.

*James R. Gies  
Professor of Political Science  
University College of Cape Breton,  
Sydney, N.S.*

## LETTERS TO THE EDITOR

*Should be submitted to:  
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*30. E-mail letters@maclean.ca.  
Maclean's welcomes readers' letters. Letters may be edited for space and clarity. Please supply names, addresses and daytime telephone numbers. Submissions may appear in Maclean's electronic version.*

## Out-of-province fees

As an out-of-province student attending McGill University in Montreal, I was scrawled/punished when I read that the tuition at my university was \$1,668.30. That isn't necessarily the case—as about 25 per cent of students at McGill can tell you. The tuition rate stated is only for Quebec residents. I, being a native of Nova Scotia, have to pay an extra \$1,200, as does any other non-Quebec Canadian resident. Quebec has bilateral agreements with 50 countries that allow their students to pay \$1,200 less to attend universities in Quebec than someone from Toronto or Halifax. The Students' Society of McGill University is taking the university to court to have the legislation removed from the books and hopes to have McGill reimburse the money it has already collected from students for the full semester under this discriminatory law.

*Todd Williams,  
Montreal, Q.*

NAMA, the Canadian Intercollegiate Athletic Union and the National Collegiate Athletic Association, and we are competitive in all aspects. We are confident that our ability to provide financial scholarships is a major factor in our program's success.

*James Phillips,  
Public relations coordinator,  
Simon Fraser Athletics,  
Burnaby, B.C.*

As an architecture student at Ryerson Polytechnic University, I find it odd that Ryerson makes a big deal in overall ranking for undergraduate institutions, but makes relatively little in its overall reputation. The reason we attend university is to get a job. If Ryerson is perceived to be one of the schools that is most likely to prepare us for that, how can it have an overall ranking that is very low? Thus, we may not have a faculty that has a high percentage of PhDs among its members and our library certainly needs an upgrade, but I think any student would prefer to have a job upon graduation.

*Rob Jaupman,  
Toronto, Ont.*

## Women in business

After reading Alan Paterson's column "How Washington'll be to the women of Canada" (Nov. 24) at least three times to be sure I hadn't missed something, I could only come to the disheartening conclusion that Bryan wasn't his goal. His

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## EDITORIAL UPDATE

### Maclean's 12th Annual Honor Roll

More 72 extraordinary Canadians who have won a place on Maclean's 1997 Honor Roll. Selected by Maclean's editorial team, the honorees have enriched the words of art and entertainment, business, science, sports, society and academia. Read about these remarkable Canadians in Maclean's Dec. 22 issue. Available on most newsstands on Dec. 15! On Dec. 29, Peter Kent and Pamela Wallin will introduce you to the honorees on the Canadian Global System television special: *Canadian Heroes: A Celebration of Excellence*.

### Maclean's 14th Annual Year-End Poll

With a new year drawing, Maclean's — in partnership with CBC's *The National* — takes stock of the nation with its Influential and much-cited year-end poll. Discover what issues matter to Canadians, particularly the elusive baby-boom generation of 18- to 29-year-olds. Find out how people feel about social services and health care, spirituality, personal freedoms, national unity and much more. The year-end poll is featured in Maclean's special Dec. 22/Jan. 5 double issue, available on most newsstands on Dec. 22. Also work *The National* News Dec. 22 and Dec. 23 for further analysis of the poll results.

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## Backstage



# Anthony Wilson-Smith

## The unseen side of Quebec politics

**T**o better understand the often confusingly complex nature of Quebec politics, a good starting point might be the *Pulsar* Street studies of *Tico-Quebec* in Montreal's east-end on Friday nights. That's when the provincially sponsored network airs *Direct de l'Arène*, a two-hour live discussion program in which newsmen, news reporters and just plain news followers discuss events of the day. Last month public affairs editor, the editor of *Pulsar* said, "There's always a solid base audience of hard-core junkies."

That, presumably, was why the show's producers were counting on for support recently when they devoted a full program to discussing the ramifications of Gen. Charles de Gaulle's visit to Quebec — and his cry of *Plus de Québec libre* — 30 years ago. Otherwise, in terms of weekend entertainment for most people, the program (probably rarely well behind, say, the latest televised clashes of the *World Wrestling Federation*) — or even the event of a Toronto Maple Leafs game. Still, the debate came as a surprise to a new documentary on the visit, and a poll that showed that a large percentage of respondents thought de Gaulle's remarks had little long-term effect on Quebec's politics.

But the real revelation for someone from outside the province was the reminder that, away from the partisan posturing of the public stage, the battle for control between federalists and separatists remains a remarkably civil — and sometimes downright friendly — for many Canadians outside Quebec, far more

into a discussion about Quebec's recent municipal elections. Meanwhile, de Gaulle's visit, a good starting point might be the *Pulsar* Street studies of *Tico-Quebec* in Montreal's east-end on Friday nights. That's when the provincially sponsored network airs *Direct de l'Arène*, a two-hour live discussion program in which newsmen, news reporters and just plain news followers discuss events of the day. Last month public affairs editor, the editor of *Pulsar* said, "There's always a solid base audience of hard-core junkies."

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For those who still follow Quebec's internal debate with any interest, it is useful to remember several things. One is that unlike the case of the country — where opinion in favour of a united Canada is virtually unanimous — French-speaking Quebec is split evenly between support for federalism and sovereignty. That means that polarized political decisions are a fact of everyday life. And politics aside, the approach is remarkably humane. Most Quebecers who feel language is French nearly 80 per cent of Quebecers whose first language is French speak a reasonably homogeneous second language. That means that outside everything from enthusiasm for the same vacation spots to the schools they attend and the television shows, books, restaurants and plays they talk about. Because of language, progress and cultural differences, they share few of these with other Canadians. For those reasons, Quebec remains a society that lives, as its people say, *à l'américaine*. It also explains why Quebecers of all ages are so deeply devoted to anglophone and francophone writers who are critics from either *Canada* — or when a Quebecer complains outside the province. Either situation evokes the old rule about crime in families and sports: *cheekbones, what you see here, what you do here, what you say here — let it stay here.*

At the personal level, the battle over sovereignty is remarkably civil; sometimes, it can even be downright friendly



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# Opening Notes

Edited by ANTHONY BLOTTMAN and  
SANDRA WOODS



Neilson Manning (left) and brother David. "We're Christians who play rock music"

## Keeping the family name out of bars

There stage careers as "Red Lucker" and "David Winesack." But it's here, in Calgary, they are David and Neilson Manning—twosomen, aged 18 and 21, respectively—at Opposition Leader Preston Manning and his wife, Sandra. Eighteen months ago, the siblings started a rock band called The Tuskas. "We don't want to be so vocal because we're Preston Manning's kids," says younger and lead guitarist David, explaining why he and his brother, who plays bass, chose not to use their family name. The other two band members are the

Manning's cousin drummer Jordan Stutts, 21, and guitarist J. R. Stutts, 19, of Edmonton. The group's recent appearances include a gig last month at The Head Rock Cafe in Calgary, attended by a beaming Sandra Manning, and a party at the popular Edmonton nightclub The Arc, where they launched their first CD, *Passage*. Although all four profess strong Christian faith, they do not consider themselves a Christian band. "We're Christians who play rock music," says David. "I guess you could say we try to have a more positive message."

River's major concern was that people might confuse him with his character, Ross, 74, and his government post in November 1996, after acknowledging that he wore a Nazi swastika in 1942 and took part in an anti-conscientious demonstration that turned into an anti-Jewish protest. Toronto writer Eric Siler says he was delighted to leave Ross in the 1940s drama. "Everyone seems to be talking right and wrong, black and white," says Siler. "I'm far more interested in the shades."

## Niche publishing

It makes for slow reading, but that's exactly the point of *Junipheed*, a small and sporadically published magazine by and for young drug addicts. Founded in 1995 by Heather Edgry, George Lober and Matthew Bowman—who killed himself with a drug overdose later that year—it focuses on the stories of 14- to 22-year-old intravenous drug users who swap syringes at a needle exchange in Santa Cruz, Calif., where the magazine is based, and provides safety tips for junkies. But how to quit is not one of them. "We all had referral letters for HIV testing, for treatment programs, but that's not what we needed," says executive editor Edgry, 27, who has been shooting up since she was 15. "What was most relevant was about overdosing, about how to take care of your veins." The magazine has attracted widespread attention. The New York City-based *Londoner* magazine, a think tank founded by Hong Kong-born author George Soros, sent 750 copies to the organizers of needle exchange programs in eastern Europe. Clearly *Junipheed* is filling a void.

## Two dream trips

When Canadian astronomer Dr. Dave Williams rockets into space aboard the space shuttle *Columbia* next April, he will be carrying a special pen. Before leaving Earth, the pen will already have travelled from a tiny, mainly aboriginal school in a Northwest Territories hamlet. Since September, staff and 12 students at Deh Gah Elementary and Secondary School in Fort Providence—population 750—have been planning a dream trip and raising the \$60,000 needed to travel to Cape Canaveral, Fla., to watch Williams's launch on April 2. The excursion is the brainchild of Deh Gah teachers Barb Kiberry and Barb Leuzer, who also asked Canadian Space Agency officials if Williams would take one of their school pins into space with him. They now hope Williams, as emergency physician, can visit the school to return the pin once he is back on Earth. The CSA has arranged a special reception for the students, a tour of the Kennedy Space Center and a VIP seating near 100 kilometers from the launch pad. "Dabber" is how Kiberry describes the students' reaction. "Really really hasn't set in yet." What a host.



Williams: A host

## Canadians set a new Olympic standard on TV

Sports fans who tune in U.S. TV coverage of the 1998 Winter Olympics next February may detect a distinctly Canadian twist. The CBC's broadcast team, headed for Nagano, Japan, includes such north-of-the-border analysts as Tracy Wilson, an Olympic bronze-medal-winning figure skater, ex-hockey goalie Chris Davidson, and two of the original *Crash* Canucks, forward and line legends Ken Dryden and Steve Podolski. Bill, CBC's executive producer Doug Sills, who will oversee *Games* coverage, says the real network's hiring will not hurt Canadian coverage. CBC has veteran commentators in nearly every sport, he says, and he has confidence that the staff will make the most of the addition of "rednecks" such as 1995 Olympic downhill gold medalist Kerri-Lee Corbin and four-time world figure-skating champion



Lee-Corbin in 1995: a 'looker' gets a break

Kerr Brownlee. "Takeaway, it's one of the strongest groups we have ever assembled," Sills says, adding, "I think it's a testament to the quality of the broadcast industry in this country that there are so many Canadians on American TV."

## Passages

**DIED:** Former Malawi president (1964-1994) **Mwaseka Kamuzu Banda**, 99, in a Johannesburg hospital. A medical doctor educated in the United States, Banda practiced in London during the 1950s before returning to the former



British colony of Nyasaland to campaign for its independence from Britain. He later became widely regarded as a brutal dictator who jailed thousands while surrounding himself with sycophants.

**DIED:** Justice **Arrie Sanyal**, 64, of the Supreme Court of Canada, of a rare blood disorder, at his home in Ottawa (page 34).

**DIED:** Legendary golfer **Ayaz Warshad**, 36, at her home in Drocs, England. Described by the *Chronicle of Golf* as "the supreme women golfer of her age, perhaps of all time," Warshad won the British amateur championship four times between 1922 and 1929.

**WON:** The \$100,000 (U.S.) Qatar Open squash tournament, by Egyptian **Amr El-Nasser**, 23, in Doha. Power beat 2001 world champion **Adnan El-Nasser** in the semifinal and then defeated No. 2 **Peter Nicol** of Scotland in the final, a 102-minute thriller. Power, currently ranked No. 3 in the world, will aim for the top spot at the Mahabud International tournament this week in Bangalore, India.

**HURLED:** Former inbiter **Tom Johnson**, 48, as manager, by the Toronto Blue Jays. A former big-league scout, Johnson replaces **Clayton Kershaw**, who was fired earlier this year after nine seasons. Although he has never managed in the majors, Johnson's admirers say he brings needed enthusiasm to the team.

**SIGNED:** Controversial Quebec radio host **André Arsenault**, to a five-year, \$2 million contract with Montreal station **CHL**. Arsenault's vitriolic commentary has been heard on Quebec City's **CHRC** for more than a quarter-century, earning reprisals from regulators and lawsuits from his targets.

## BEST-SELLERS

- FICTION**
1. *The Remedy* by Lisa Thompson (2)
  2. *Beauty Queen* by Deborah Dworkin (2)
  3. *The Girl on the Train* by Rachel Watson (2)
  4. *Adrian Mole* by P. D. James (1)
  5. *Harry Potter and the Chamber of Secrets* by J.K. Rowling (1)
  6. *Wish You Were Here* by J.K. Rowling (1)
  7. *Wish You Were Here* by J.K. Rowling (1)
  8. *Wish You Were Here* by J.K. Rowling (1)
  9. *Wish You Were Here* by J.K. Rowling (1)
  10. *Wish You Were Here* by J.K. Rowling (1)
- NON-FICTION**
1. *In the Heart of the Matter* by John Grisham (2)
  2. *The American Road* by John Grisham (2)
  3. *The Other Side of the Mountain* by John Grisham (2)
  4. *Belonging to a Summer Day* by John Grisham (2)
  5. *Angels in the Field* by John Grisham (2)
  6. *The Patient* by John Grisham (2)
  7. *Wish You Were Here* by J.K. Rowling (1)
  8. *Wish You Were Here* by J.K. Rowling (1)
  9. *Wish You Were Here* by J.K. Rowling (1)
  10. *Wish You Were Here* by J.K. Rowling (1)

1. *Prisoners of War* by John Grisham

Goodbyes in the sky

Some things about flying by Canadian never all John Barlow has a sister of a plot two long-life lovers story away for a two-week vacation, but all their day-to-day stresses. Suddenly, the plane they are on catches fire. High in the sky, on a 60-odd-ton roller coaster for London's Heathrow airport, their lives and their love change forever.

COVER

## BAD GIRLS

BY PATRICIA CHESHOLM

**T**he waterfront park where Becca Virk was viciously beaten and left to drown looks like a Canadian dream: clumps of trees dot one shore, while attractive middle-class homes line the opposite bank. Residents of Seaside, just north of Victoria, know the place as a family gateway for picnics, boating and family outings. But like many suburban parks across the country, it has two faces. After dark, it becomes a haunt for restless local teenagers looking for a place safe from prying adult eyes. Here, kids can engage in the typical rituals of an adolescent Friday night—smoking, gossiping, smoking, maybe having a drink or making out—a usually without incident. So it probably wasn't surprising that the 14-year-old Virk agreed to go off to the park with a couple of acquaintances on the night of Nov. 14, even though she had been in a nasty fight with some of their friends slightly earlier. On that occasion, another teenage girl snatched out a lit cigarette on Virk's forehead, apparently over suspicion that the Grade 9 student had agreed rumors about her. "She very much wanted to be along with the cool kids," recalls her friend Molly Patterson. "That's because a lot of kids would bug her—I would see her crying in the hallways. Unfortunately, that led to her being killed. She was a sweet kid."



**Virk: a search for acceptance that ended in a night of pain and death**

The horror of what happened next has sent shock waves across the country and attracted attention as far away as Sweden. Although some of the details remain unknown, it is clear that Virk was lured to the park at about 10 p.m. by two teens she met while hanging out at a convenience store a few blocks away. Once out of sight of parents, she was set on and so viciously killed and beaten that she suffered multiple fractures, including fractured arms and a broken neck and back. According to a note of one of the accused, she cried out, "Help me, I love you," during the assault. When her partly submerged body was found more than a week later, a few hundred metres from where she was attacked, a few scraps of identification were all that remained of her clothing.

Eight teenagers aged 14 to 16—seven of them girls—now face charges ranging from second-degree murder to aggravated assault, and Canadians are asking themselves some painful, seemingly



unanswerable questions. Why was a young girl, with no history of violence, viciously murdered, allegedly by her peers? Why is violence among young girls sharply on the rise? And what, if anything, can be done to halt the trend? Bishop Arto, Director of the School of Child and Youth Care at the University of Victoria and author of *Sex, Power & the Violent School Girl*, believes that too often, such crimes are dismissed as the actions of a few bad kids from dysfunctional families. But the behavior of many young girls, Arto suggests, is being twisted by profound cultural pressures their parents barely understand. Pressures to be sexy, to be popular—to be powerful. And when conventional methods of achieving those ends fail, more and more girls are turning to violence. "They are taking the attitude that the way to reach power is by being the brides," Arto says. "If they can't get what they want, they become killers for the group. It's an angry and painful thing."

**The gruesome discovery (left): leaving Becca on the murder site (right): "She was a sweet kid"**

That, many Canadians might respond, is an overstatement. While the overall numbers remain small compared with boys, police are charging nearly more girls with violent crimes than they did 10 years ago. Since 1986, two years after the Young Offenders Act became law, assault charges rates for girls in British Columbia alone have more than tripled, rising to 628 in 1999 from 173 just five years earlier. And while not all experts agree that more crimes are actually being committed—some argue that public concern over youth crime is pushing officials into making more arrests—many say there is little doubt that crime rates and aggravated assaults are on the increase. "Except for murder, the statistics that I'm looking at are getting worse," says Ray Corrigan, a professor at Simon Fraser University's School of Criminology. "The context of the violence has also changed. It's more random, more vicious—and it's not just in the bad parts of town."

Corrado cautions against jumping to the conclusion that violence among young girls is widespread. The vast majority do what young girls have always done: attend school, pursue hobbies, flirt—without getting into fights. And even among the minority who are violent, murder, Corrado notes, is still incredibly rare. "But he says there is a volatility—as well as an element of unpredictability—in teenage crime that can create a strong sense of intimidation among teens themselves. Often, such crimes occur in generally safe, highly public places such as transit stops, 24-hour convenience stores,

# PARENTAL NEGLECT IS OFTEN A FACTOR

## COVER

girls and males. When tension rises—among girls, a fight can be ignited by as little as a slight over appearance or competition for a boy—things can get out of hand very quickly. "It starts with kicking and punching and they all want to be part of it," Carmine says. "Then they panic."

Often, the fever seems to rise because of boys. To a chafing degree, many very young girls are desperate to be wanted. See Johnson, a Toronto-based television sex therapist, has found that young girls are becoming much more aggressive in the pursuit of boys, fantasizing them with dolls, letters, whatever it takes to get their attention—but with decidedly mixed results. "We have more guys now to me that the only reason they had sex was because a girl came on like black beauty and it was the only way to get rid of her," Johnson says.

They go by their "real" names of Pili, Crystal and Kat, and violence is something they accept as part of adolescent life. All three have scars on their wrists from suicide attempts, each talks about the importance of control in love, that, for the most part, are clearly out of control. The three hang out at The Starfruit, a drop-in centre in the Marborough Mall in northwest Calgary that offers counselling, job placement and family services. It is well as a place where kids can play pool, play a few arcade games and watch TV.

"There's a pretty big reason for violence among girls," says Pili, 15. "It's got to be with dominance and what you believe in yours. Usually it comes down to one boyfriend. First you threaten—Don't touch me or I'll kill you. And if that doesn't work you fight." Crystal, 16, and Kat, 15, say that clarity is also a big part. There's even a hierarchy of most desired guys—Pili, Pili and Kat. Kat says she's never been serious; they reflect status and membership. "It's about belonging. You want to be part of a group, a gang. It's like your family," says Kat, who is in Grade 10. As for violence, Crystal says, "people don't listen if you say it nicely, so you have to get it bloody and threaten them. And if that doesn't work, what comes next is to fight."

Pili, Crystal and Kat all profess the same tastes when it comes to music and movies. They love not their favorite singers are Paul Diddy, Mase and the recently murdered Tupac Shakur. "We like the black men and the words. They've got perfect bodies and they're got attitude," says Pili. "Yeah, and they're half-naked," adds Crystal. "They're sexy. They've got this I don't care attitude. I'll just be who I am." The same kind of tastes are reflected in the movies they like, all based on gang life, such as *Gang Related*.

Although statistics in Calgary show no growth in the total number of violent crimes involving young girls, police say the level of threats and violence is increasing. On Nov. 31, a group of five 15- and 16-year-olds confronted four other girls between the ages of 12 and 14. Two



Searching for the body: a question of dominance, control and the sexuality of the group

of the younger girls were assaulted at a breakfast shop, one punched in the face and the other threatened that she would be thrown from the train platform if they did not give up their jackets—one a Nike, the other Le Chateau. As of Oct. 31, there had been 39 violent offences involving adolescent girls this year. Last year during the same period, there were 22, and in 1995, only seven. "There clearly is more violence being shown by young girls than was the case years ago," says Staff Sgt. Don Derisay. "I left the streets in 1988 to work another case, and when I came back this year, I could see there are far more female young offenders than was the case 10 years ago."

Dominance, control and the sexuality of the group: they are powerful motivators. And for adolescent girls, who often suffer a calamitous drop in self-esteem with the onset of puberty, a punch-up or two may seem like a small game to pay for being part of the gang. Seventeen-year-old Jalene Denko, who attends Gladstone Secondary School in mid-end Vancouver, says that among teenage girls there is strength in numbers. "In a lot of instances, it will be one girl against one girl, but all their friends will end up getting involved," she says. And 13-year-old Jess Verbaarschade "Every male seems between teenage girls often write lines for the dance and to confess. 'In school, nobody can really be themselves,' Verbaarschade says. "They'll be left out. So people try to act cool." Some teachers and



Verbaarschade (middle L), Denko (middle from right) and friends, "nobody can really be themselves"

students have been trained in conflict resolution techniques, contributing to a relatively safe environment at Gladstone, but the girls also say there is still an unwritten code not to talk on peers—each bit more of the teenage students who did not report Verbaarschade's devious widespread rumors. "No one wants to be a rat," Denko explains.

Farther west are increasingly different, life at school can mean no suffering misery that eventually deteriorates into habitual violence. Marie, 16, speaks bitterly at the Oshawa, Ont., school where she was harassed from the age of 8 because of her black skin and short, musty body. Such treatment can be particularly devastating for vulnerable kids, like Marie, who came from troubled families and has spent most of her life in foster care. For the past few months, she has spent most of her life in a crowded sleeping bag, sitting on Yonge Street outside the Kensington townhouse center in Toronto's downtown core. Although she is the most pregnant, most nights she perches over that air grates on city streets she has been locked

week and finally said the charges were false, made by their daughter in an attempt to gain more freedom by being released to a foster home.

Many prosecutors and social aid officials caution against easier treatment for girls than boys. Halima Gowri, attorney Catherine Cowpelt, has become involved with such an approach. She's looking the system is how to get out the message that violence is wrong and to not deal with girls with bad gloves, she says. "I have seen parents, police officers, social workers and judges be more lenient because the case involves a girl. I have walked away and thought, really, this is sexist."

A sampling of recent Halifax-area cases vividly demonstrates the casual circumstances girls are caught in. In one recent incident, Cowpelt recalls, a teenage dropped in on her mother's home, questioning her bang. By the time they got to court, neither could remember what the fight was about. And last year, when five kids gang-raped a classmate, a group of teens—including girls—stood by

## STABBINGS, BEATINGS: AN UNSETTLING RECORD

Reena Mukh's death in Surrey, B.C., was not an isolated act of violence involving teenage girls. Some other cases:

- In London, Ont., police charged a 13-year-old girl with attempted murder last week after a nine-year-old boy in Prozess Elizabeth Public School was stabbed in the neck with a knife. Police gave no explanation for what sparked the attack. The girl also faces two counts of assault with a weapon in another incident involving two of her 13-year-old female classmates.
- In October, an early-morning argument broke out between two men in separate vehicles on Montreal's South Shore. At an intersection, the men jumped out and began fighting. Police say one man's 17-year-old girlfriend stabbed the other man in the back three times.
- On July 2, a woman died after being shot in the head at her home in Beachville, Ont., following her 50th birthday party. Her daughter, 17, was charged with first-degree murder.
- On March 10, a 70-year-old grandmother died after being stabbed repeatedly in the head and neck with a kitchen knife at her home in Scarborough, Ont. The woman's 13-year-old granddaughter was charged with second-degree murder.
- In February, 1996, a 14-year-old Winnipeg girl allegedly assaulted a 16-year-old girl. Police say she was attempting to cancel the older teen into prostitution.

- In December, 1995, Alessa Benelli, a 17-year-old pimp who belonged to the L'Abbe Association gang, was assaulted, beaten and drowned in a creek in Burnaby, B.C. Three girls were charged—her wife, 14, the third 16. Two pleaded guilty to second-degree murder. The third teen was acquitted.
- On Oct. 26, 1995, Sylvain Levesque, 17, and his two teenage friends were abducted by members of Ottawa's Ace Gang and confined in a Napsco, Ont., apartment. Levesque was tortured to death, the others survived. One woman, then 17, was charged with first-degree murder. Three adults also face the same charge. Three teenage gang members, meanwhile, have already been convicted of lesser charges, including kidnapping and assault.
- On July 8, 1995, Kalliana Kall, 34, picked up three teenage girls in Calgary. According to court testimony, after an hour drink together for hours Kalliana tried to kiss one girl and perform oral sex. He was stabbed to death. Two girls, both 14, were convicted of manslaughter.
- In May, 1994, a 14-year-old Mississauga, Ont., girl took part in a botched robbery attempt in which a midnight stroller, Dean Martin Blythe, 44, was stabbed to death. Her 16-year-old friend, Clifford Arroyo Long, stabbed Blythe in the back first. Then the girl punched a drunk knife into his back, as well. The girl, a victim of sexual abuse, was convicted of manslaughter. Long, tried in adult court, was sentenced to eight years.



# DANGER SIGNS

BY PAUL PALANGO

**W**hat first scares many parents is the music. Their daughter has just become a teenager and almost overnight, it seems, her taste has changed from Ruffi to gangsta rap, the street music of the black ghettos in the United States. The little girl who once rolled in Baby Backs and Down by the Bay hits, at the age of 12 or 13, became desperate to attract boys and seek acceptance from other girls. She's taking endless showers to look such as those from the popular High School High movie sound track. "How your head air," "Let's get it on like South and Wesson," "Roll a nigger for my nigger"—and her worse.

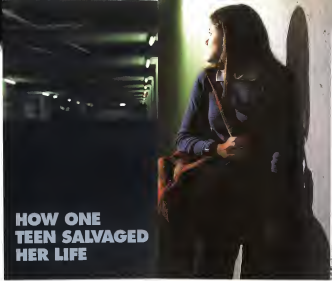
This is the music du jour of many young North American teenagers these days—the association of sexual abuse, violence and death. But the music usually is only a manifestation of something more sinister, lurking deep inside many young girls. For the damaged and insecure, the songs serve as a disabused road map to the girls' own private hell.

Many come from dysfunctional families. Many are the daughters of alcohol and drug abusers, or have been physically or sexually abused, or, according to recent medical research, have suffered undetected brain injuries from childhood accidents.

Unable to function properly in society, these girls have low self-esteem, as did Keena Viki, the Spanish, B.C., murder victim. Viki had the added burden of not being conventionally pretty. As a result, she was the target of teasing and bullying at her new school. It is not a new phenomenon. It happens every year, in the meanest housing projects and the finest private schools. There is even a fascinating 1999 film about the subject, *Witness to the Devil*. The central character is a lonely girl named Diana Winner who is so desperate for affection that she shows up repeatedly to meet a bad boy who keeps threatening to run her—bit, in the end, even he rejects her.

There was a while of Davis Winner in Roma Viki, who wanted to be accepted by her chosen prey, a woman-bee Los Angeles-style street gang. They were into gangsta rap, smoking and violence. But they did not love Keena. They tried to take a cigarette out of her hair, and they beat her brutally and left her in a room.

Meets Keena. A few years ago, she could have met the same end in Illinois. Unlike Keena, Keena had her red hair cut from a middle-class family in the Ottawa area. Tall and gangly, and with a poor self-image, she had squished bulges in a child, but never excelled at anything. She had been sexually abused as a small child, although her family was unaware of it until after the hit button in a desert that began in Grade 9. She was 14, and found she couldn't successfully compete for the attention of boys. Cuts, bagger and tougher girls began to taunt and bully her. Keena stopped going to school and began hanging out in coffee shops and at the downtown Redfern Centre mall, just below Parliament Hill.



## HOW ONE TEEN SALVAGED HER LIFE

She took refuge in gangsta rap. Her favorites were Niggers With Attitude, Public Enemy and Ice T, whose raucous hip chants and rhythms masked the malcontent of their lyrics. Their songs were poems to violence, to killing police and despising women.

The clues to Keena's descent were subtle at first, lost in the confusion of hormonal change and the widely held myth that most teenagers steadily become rebellious once they turn 13. The first tip-off might have been when Keena shed her all and dear childhood friends. Although that change might not seem abnormal for someone moving from elementary to high school, experts say it is often the first subtle marker in the destabilization of a personality. "I started to see them as Goody Two-shoes and nerds," Keena says. "On Friday nights, they stayed home and watched videos. I started hanging around with a girl who'd been hit, but that was about it. She wasn't really a bad person." The friendship did not last long, however. Soon, Keena took up with Feg, a tougher, streetwise girl who not only drank but also did drugs. This forced descent from childhood friends to unstable street acquaintances is typical of psychologically distressed teenagers, according to Robyn Hill, Oat, behavioral specialist at Kids With Us.

Unlike Keena, Feg came from a broken home. Her mother had been married four times and had run an escort service out of her home. Feg became Keena's mentor and guide to the under-

world. As she looks back at herself now, Keena remembers being too naïve—"an almost sociopathic view of the world." "I had no respect for or fear of authority," she recalls. And, she says, she was completely "disenchanted"—a clinical term to describe a person who is incapable of feeling embarrassment or shame. "I would do as I saw fit and say anything. I didn't give a damn."

Keena's adopted culture depicted in the rap songs as her own. That culture grew out of grinding poverty, the lack of a political voice and the oppression of white police. Yet the rebellion and rage of the ghetto had a certain appeal for some vulnerable non-black teens. "We really got into this black thing," Keena says. "It's funny. I'm fair-skinned, but I desperately wanted to be black. I started dressing like a black girl and talking like her. When I was 16, I even told my mother that my goal was to have a baby with a black guy by the time I was 15."

As the pattern of culture continued, the shocking began. "It wasn't because I couldn't afford the clothes, because I could," she says. "I stole clothes to wear to the clubs—short skirts and bra tops that my mother wouldn't let me wear." Keena and Feg also hooked up with a group of criminally minded men, most of them black. She would go back to their apartments, do drugs, have sex and allow herself to be battered. Desperately in need of love and acceptance, she was an all-too-willing victim.

The Ottawa street scene in the early to mid-1990s was typical of what was happening in other Canadian and U.S. cities. Out of nowhere violent gangs, many at first in male attire, with names such as the Scorpions, Nasty Girls and Bitches With Attitude. Keena became intimate with the gang world. "All you do is think about yourself but you have no real feelings or emotions," she says. "No conscience and no judgment. I desperately wanted to be popular and the way to be popular was to do anything the gang leader wanted. If a guy told me I was pretty, I would go to bed with him. If my gang leader told me to beat someone up, I beat them up. I was always trying to feel tough and superior. After a while, you start to believe that you actually are the people in the songs."

Keena hit bottom when she was 15. Her gang leader had ordered her to become a prostitute on the streets of Ottawa. "I only did it two times before my parents realized what was going on and took control." After a brief stay in an Ottawa detention centre, she was sent to a rehabilitation centre in Minnesota that specializes in psychology and addiction. (There is no comparable institution in Canada.) "My mom told me it was going to be like a Holiday Inn, but it was like a jail," Keena says. "They beatwashed me—but it was for the good. They made me feel guilty. I got my judgment and conscience back."

For Keena and her family, perhaps the most important development from the Minnesota experience was that she collected her repeatedly sexual abuse by a neighborhood boy when she was about five years old. Her parents never knew. "I never told them because I was embarrassed about it," she says. Her family never heard. "My parents each almost had a nervous breakdown and almost got divorced over me. It took them \$50,000 to get me treated, but I am one of the lucky ones. I have a family who cared for me. If they hadn't intervened, I probably would be dead now."

But she survived—and, having put those days behind her, changed her life around almost as completely as her hairstyle and clothes. That is not atypical, says Keena's lover, Corey MacLellan, who over the years has represented many of Ottawa's youth in criminal matters.

"For girls, there is an attraction to these men because of completeness that is different from boys. More often than not, a boy will be involved in crime but will also be hanging around school and doing a little schoolwork with some degree of normalcy. Why it comes to changing their behavior, boys talk about changing, but it's usually only a half of the job service," MacLellan notes. "The girls tend to go right at it. When they make up their mind to change, they change completely."

In Burnaby, B.C., RCMP Insp. Dennis Schleicher agrees. Over the years, he has investigated a number of mothers. "It has been my experience that in most cases violent girls don't stay violent," Schleicher says. "When a 13-year-old boy kills someone in a homicide case, there's usually no hope for him. It's his last case. With girls it's different. They have an entirely different thought process."

Today, Keena is in university, doing exceptionally well, and hopes one day to become a police officer. "I look back at those days and the influence the rap music had on me, and I can't believe how I could have been influenced," she says. "It was all about the degradation of women, but I couldn't see that at the time."

Keena's middle-class parents had the money and connections to save her. But, says MacLellan, "for every one who does change, there are a hundred who aren't functioning very well as society." Keena Viki was one of those—right to her present and terrible end. □

# A harsh rebuke

The Krever report dissects the tainted blood scandal

## SPECIAL REPORT

BY JOHN DEMONT

**T**hey still serve up doughnuts and juice afterward. Otherwise, much has changed for anyone getting blood at a Red Cross clinic in Canada. The questions are chastising. Have you ever paid for sex, a narcotic? Has anyone ever paid you for sex? Do you have AIDS? Have you had sex with anyone who has AIDS? Have you ever taken illegal drugs? Have you used cocaine within the past 12 months? The nurse takes the potential donor's temperature and blood pressure to check for signs of infection, then examines the inside of the arms for needle tracks. The donor is asked to sign a waiver, attesting to his honesty. Only then is the blood drawn from his veins—and carried off to a laboratory to be tested for the AIDS virus.

All told, the process usually takes over an hour—a far cry from a few years ago when a donor could walk into a clinic, roll up his sleeve, have that glass of juice and doughnut and be out in 20 minutes. That was before thousands of Canadians became infected with HIV and hepatitis C through tainted blood products in the late 1970s and 1980s. What has made tainted blood the Canadian medical scandal of the century is the undeniable fact—almost even before Justice Harvie Hancock started his probe into the tragedy in 1994—that the blood system had failed the very people it was entrusted with protecting. All of which makes Krever's final report, which became public last week and sheds new light on the conditions and individuals who are ultimately responsible for the tragedy, so devastating.

Krever's long-anticipated report is no high-octane polemic. After nearly four years, 427 witnesses, 50,000 manuscript pages of testimony and more than \$17 million in taxpayers' money, it frustrated some critics because it assigned no blame—even though Krever had fought for, and won, the right to name names in the face of numerous legal challenges spearheaded by the Canadian Red Cross Society. Moreover, the legal maneuvering delayed the report. As a result, many of its 56 recommendations for reworking the blood system—including the exorcism of the Red Cross—have already been embraced by the politicians, who have decided that a new blood supply system must be in place by September, 1998. Instead, the enduring value of the report is the methodical way it dissects a tragedy that, according to Krever, is much more widespread than originally estimated.



Red Cross blood bank in Toronto. New and controversial

What emerges from the cold, bureaucratic prose is a horrific, haunting tale of heartache and negligence. Some examples:

- **Las monitoring by the Bureau of Biometrics**, the blood regulatory arm of Health Canada, failed to ensure that a system of checks was in place in the early 1980s when Canada faced a serious plasma shortage. Under pressure from Canadian authorities, Toronto-based Connaught Laboratories Ltd., Canada's largest manufacturer of blood products, began buying blood products in the United States. The higher overall incidence of HIV infection there, and the Australian practice of collecting plasma in prisons, Krever notes, increased the risk of disease for Canadian hemophiliacs. And, in fact, some of Connaught's purchases—made unknowingly through a broker—turned out to be infected plasma from U.S. prisons and San Francisco, which the AIDS epidemic had struck very hard.

- **Government officials** were reluctant to trace recipients of possibly tainted blood and blood products who were at risk because, Krever notes, the bureaucracy "seems to have been concerned about preventing public questioning about the safety of the blood system and deflecting controversy" than with providing timely health information.

- **The Red Cross** decided to deliberately exhaust its inventory of untreated blood concentrates before making heat-treated concentrates available. Heat-treating destroys the AIDS virus, and the new concentrate "almost completely ended the spread of AIDS among Canadian hemophiliacs," according to the Krever report. But delays in acquiring donor supplies, and the consequent use of the heat-treated concentrates, unconsciously prolonged the risk for Canadians.

- **The Red Cross's "slow and bureaucratic" development of a pamphlet about AIDS** was only one of the ways in which regulators and public-health officials missed a vital opportunity to reduce the risk of infection.

Under pressure from tainted blood victims groups, the RCMP last week announced it was reviewing Krever's report to see if criminal

## COMPENSATION FOR ALL

The highlights of the Krever commission report:

- **Satisfactory, no-fault schemes** should be established to provide prompt compensation for "all blood-injured persons." But Krever's language makes it unclear whether the aid should be retroactive.
- **Krever does not give specific figures**, but on the basis of the report it is clear that the number of Canadians infected with blood-borne diseases is far greater than previously estimated. The total of 1,200 commonly given for HIV-infected persons counts only those who received the virus directly through blood products, not family members who subsequently became infected through sexual or maternal transmission. In the case of hepatitis C, where 12,000 has been the accepted figure for victims, the true number could be more than 60,000. Of the 28,000 cases that occurred after 1986—when a reliable test was adopted in the United States but rejected in Canada on the grounds of cost and efficacy—65 per cent could have been avoided.
- **The blood system** should be governed

by five principles: treating blood as a public resource, declining to pay donors who give blood, Canada should be self-sufficient in blood, free, universal access to blood, making safety paramount.

- **Although Krever** does not accuse individuals of any wrongdoing, he provides exhaustive details of where the decision-making process broke down. (And in the wake of his report, the RCMP announced it was close to issuing a decision if a criminal investigation is warranted.)

- **A single independent blood authority** should be created and the Canadian Red Cross Society—which received some of the most stinging criticism of Krever's report—should be removed altogether from the blood system. In May, Ottawa and the provinces decided on this course of action. In August, after being offered a reduced role in the new system, the Red Cross decided to withdraw from blood services.)

- **The number of people infected with HIV and hepatitis C** could have been immense had the Red Cross and federal and provincial health departments not dropped their feet, ignored warnings, acted irresponsibly and without concern for consumers.

changes were warranted. Meanwhile, the mistakes that all along did their best to block the inquiry from entangling individuals seemed content. "To the victims and their families, while we cannot feel your pain, we live with you, while we cannot know your suffering, we live with you, while we cannot lose your loss, we grieve with you," declared Red Cross president Gene Durand, the successor to Douglas Lindsay—who refused to offer an apology to victims when he was killed before the inquiry.

Federal Health Minister Allan Rock issued his own apology for the federal government's role in the scandal. "We can't undo the damage—I wish we had, but we can express our profound sadness and our deep regret for the harm done to so many Canadians and their families," he said. "The federal government accepts its share of responsibility." Rock also vowed the report would do more than gather dust. But when it came to one of Krieger's key recommendations—a call for no-fault compensation to all named blood victims, including those who contracted hepatitis C—Rock was non-committal, saying he would have to discuss the matter with the provinces. After a five-year federal provision expired in 1993, only the treasury of the victims and their representatives forced the provinces to offer those who had contracted AIDS through tainted blood—although not family members who are infected by the original victims—\$50,000 a year for life. "Compensation was needed by victims but not others cannot, in my opinion, be justified," Krieger wrote.

For the provinces—who will have to fund any no-fault system—the price tag is a big worry. Estimates on the numbers of Canadians who contracted hepatitis C from the blood system vary widely—with some running higher than 60,000. Provincial health ministers are also concerned that once a no-fault compensation system is introduced for blood, there would be immense pressure to adopt the same scheme for other medical procedures. "It is a can of worms people are reluctant to open," conceded one Nova Scotia health department official.

Many victims of the blood scandal, meanwhile, took what relief they could from the treasury report. Some, like Dethlefsen, 55, a retired Jewish Canadian—who contracted AIDS from her husband, Randy, a hemophiliac who died in 1984—seemed to find the report's conclusions cathartic. "I feel at long last I can tell my son why I'm so sad," she said, after listening to Rock's apology. Many, though, still burned with anger over the fact that Krieger did not assign blame—the Supreme Court had ruled in September that the inquiry could only state facts and not impose liability by any individuals. "We've been lying to us again," lamented Bill Dwyer, who, along with his eighty-year-old daughter, Billie Jo, and wife Johanne,

suffered from AIDS—also as a result of receiving a transfusion of tainted blood in 1985. "The Krieger inquiry will tell how many jobs, and will not be seen to have any sense of those who could have—and didn't—do something we're not identified."

In fact, Krieger is deeply critical of some individuals. But in the end, he likened the tragedy in a "systemic failure" of Canada's blood system. And with a few exceptions, his final report—and the 30 recommendations for a new Canadian blood system—follow the same direction he laid out in his interim report issued in February, 1995.

Since then, the new blood system, which the federal and provincial governments have enlisted will be up and running by next September has already become a work in progress. Entrusted with the task of crafting the details is a small transition team of consultants and experts working out of cramped Ottawa offices, plus a few more in close consultation from the honor roll. Canada's transition director Bernard Doyle: "It is a daunting job."

The task-over might be further along now if not for the lingering uncertainty over the role of the Red Cross, which has been at the core of Canada's blood system since 1899 and wanted to remain the key player. One of the major proponents of a continued, central role for the society was David Duggell, Rock's professor on health minister. Like many of his health department counterparts, Duggell feared that downsizing the charity's role would cause a crisis of confidence among blood donors who had already been staying away in droves since Krieger began hearing more and more shocking testimony. Moreover, several insiders suggest that Duggell may have wanted to ensure that the Red Cross's plans, now abandoned, for a \$200-million blood incentives plan—which would have taken plasma from blood and broken it down into its component parts—its home province of Nova Scotia stayed on track.

But Duggell lost his seat in the June 2 federal election. Weeks after the election, Rock and his executive counterparts—with the exception of Quebec's health minister—announced the creation of a new blood agency. The Red Cross role in donor recruitment—and agreed to get out of the blood supply system altogether once the new agency is in place. The charity's Canadian arm will now focus largely on such things as red efforts—for example, during disasters like last spring's Manitoba floods.

Even before Krieger made his final recommendations, the new system's outlines had already taken shape. The counterpart, the Canadian Blood Services, the new agency created with \$80 million in federal government money, whose operations will be funded by the provinces and the territories. Like the Red Cross before, the CBS

will have absolute power over Canada's blood supply, doing everything from bringing in donors and collecting blood to educating the public on safety procedures. Its architecture, though, contains an implication that will also meet even Krieger's high standards: "Our goal is to have a system that is safe, accountable and fully transparent to consumers and the public," stresses Doyle.

At a glance, the changes seem subtle. A plan to grant the CBS a three-year operating budget—and an annual contingency fund—gives it the fiscal flexibility and speed to face any future blood system contingencies, like tainted blood, head on. To prevent complacency within the system, external advisory bodies will be appointed to provide outside scrutiny. And unlike the old system, in which a diffuse chain of command made it impossible to determine who was ultimately responsible for decision-making, the CBS will be run by a chief executive officer, who reports to a 15-person board of directors but is solely responsible for day-to-day operations. "Now if there's a problem, everybody knows whose head is on the line," points out Deborah Wong-Kong, president of the Canadian Hemophilia Society, who is also a member of the group managing the transition to the new blood system.

The hundreds of thousands of Canadians who are already getting blood have already felt the winds of change. Not surprisingly, given the atmosphere of anger and fear many would be donors simply do not make the grade: from July through November fully 34 per cent of the 625,000 donors who entered Red Cross clinics across the country were turned away. If that alone is not enough to make anyone

draw a conclusion, here are other reasons for renewed confidence. Since Krieger's interim report, provincial, territorial and federal governments have poured millions of dollars into boosting existing safeguards within the system. The Laboratory Centre for Disease Control now has an improved ability to monitor international trends to keep abreast of new screening techniques—and an eye on blood viruses that could make their way into the blood. The Bureau of Medical Reproduction has upped the level of surveillance to ensure that laboratories and other facilities meet stringent safety standards.

Meanwhile, the provinces, territories and federal government remain embroiled with the Red Cross in negotiations over how the charity's 17 blood centres, medical equipment and other assets will be transferred to the CBS. The big question, who will assume the legal responsibilities of the charity, which is already the defendant in a rash of class-action suits brought by thousands of Canadians who contracted HIV or hepatitis C from tainted blood?

With the RCMP now considering a criminal investigation, tainted blood cases could crowd the courts for years to come. None of the evidence heard by Krieger can be relied upon for any court trial. The findings of a commission of inquiry, and an legal expert last week, "cannot be used in a civil or criminal proceeding to prove the truth of anything." But for those in search of the truth, Horace Krieger's report is a good place to begin.

By RAE CORRELL and JANEY JENNIS in Toronto and GAVIN ADAMSON in Ottawa

## LOOKING FORWARD TO GOING HOME

Some time between now and the end of the year, Horace Krieger will walk away from a suite of sterile high-rise offices in downtown Toronto for the last time. No more junk-food lunches. No more mind-boggling politicians. No more of the tedious and minor that dogged his mission inquiry into the nation's tainted-blood scandal. Early in January, for the first time in nearly four years, Krieger will return to the coziness of the 17 yellow Ontario appellate court judges and the cramped confines of Ogilvie Hall. The door is just barely open, the halls are better and the dining room has never seemed a larger and less "Audrey Krieger" will be planned to be back. "Audrey Krieger" will be planned to be back. "Audrey Krieger" will be planned to be back. "Audrey Krieger" will be planned to be back.

But whether he stays remains to be seen. The often-emotional, seventy-four-year-old blood inquiry marked the fourth time in his 40-year career that Krieger, 68, had been persuaded by governments to investigate a health-care issue. Associates say the March 1990 former lawyer and law professor is drawn by the need for social reform. "Krieger is a guy who is almost obsessive in his desire to rectify and correct things."

There is ample evidence to support that assertion. Thirty years ago, Krieger used Krieger from his teaching job at the University of Toronto's law faculty to be co-chairman of a panel asked to recommend better ways to educate and regulate dozens of health-care occupations. That job took four years. Only a few months after it ended, when he had begun teaching law at the University of Western Ontario, the Ontario government put Krieger in charge of a commission to design a tougher law against bookkeeping human donor organs.

But prior to the blood inquiry, Krieger's biggest challenge was probably his investigation in the late 1970s into the improper disclosure of patients' health records in Ontario. His sharply worded report was especially critical of the roles played by the police and hospital employees. The Ontario government put some of his recommendations into law, but disagreed with Krieger that patients ought to have easier access to their own records.

Last week, Krieger refused requests for interviews. "He says he doesn't want to be the story," commented a friend. "The words the report to be the story and he has nothing to add to it." But, said another, "You can be sure that he's going to add the end of this." He will probably save that feeling—at least until Ottawa, or someone else, tries to recruit him to right yet another wrong.



Krieger, awaiting the final report while letting his report do the talking

**“We can’t undo the damage—but we can express our deep regret”**

Rock confronting the fiery issue of compensation



Many victims of the blood scandal, meanwhile, took what relief they could from the treasury report. Some, like Dethlefsen, 55, a retired Jewish Canadian—who contracted AIDS from her husband, Randy, a hemophiliac who died in 1984—seemed to find the report's conclusions cathartic. "I feel at long last I can tell my son why I'm so sad," she said, after listening to Rock's apology. Many, though, still burned with anger over the fact that Krieger did not assign blame—the Supreme Court had ruled in September that the inquiry could only state facts and not impose liability by any individuals. "We've been lying to us again," lamented Bill Dwyer, who, along with his eighty-year-old daughter, Billie Jo, and wife Johanne,

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MODEL YEAR	TOTAL SALES
1997	228,276
1996	207,743
1995	204,585

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- Plymouth Stratus
- Dodge Caravan
- Chrysler Cirrus
- Dodge Stratus

### Four Wheeler Magazine

- "1997 Pickup Truck of the Year" - '97 Dodge Dakota
- "1997 Two Wheelers of the Year" - '97 Jeep Cherokee

### Kiplinger's Annual Review

- "Best in Class" "Best New Pickup"
- "Top for Safety" - '97 Dodge Dakota

### Outlook Magazine

- "Truck of the Year" - '97 Dodge Dakota

### Road & Track

- "Cars of the Year" - Plymouth Profiles



### Canada Magazine Best Buy

- Chrysler Minivan - Chrysler Cirrus

### Peterbilt's A Wheel & A Deal

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- Elizabeth Caring received \$500 million in upgrades.
- The Windsor Motors Assembly Plant also benefited from a \$100 million in investment.



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Too many young people leave school unable to find work. As the same time, we face an opening skills shortage in this and other vital industries. In the belief that business must help make education more relevant, Chrysler Canada initiated and organized two benchmarking tours of Europe. They involved both academic and government representatives interested in studying cooperative education models and apprenticeship programs. "Forging the Link," a multi-faceted action plan, was developed in part from that learning, as outlined in two publications, "The Windsor Experiment" and "Windsor Experiment II: Continuing Forging the Link." The results of these benchmarking tours, Chrysler is working with the University of Windsor and St. Clair College of Applied Arts and Technology to "bridge" curricula, allowing students to transfer between learning institutions to combine theory with hands-on experience. Second, Chrysler Canada is setting



to revolutionize Canadian apprenticeship programs. As a pilot project we've St. Clair College with industry-specific curricula, including the provision of hands-on experience for which the students are remunerated while participating in the apprenticeship program. The result of all this is that young people, after the learning cycle is completed, can graduate into well-paid long-term jobs. The third result is the Automotive Research and Development Centre. A joint undertaking of Chrysler Canada and the University of Windsor, co-sponsored in part by 3 levels of government, the Centre is the only one of its kind in North America. It allows Canadians to carry out expert R & D and gives students vital real-world experience.

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Tom Ichniowski, President and CEO Chrysler Canada

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*Tom Ichniowski*







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## SPECIAL REPORT

they had apologized when it happened," says Normand Landry, a Moose Jaw baker whose two sons died of AIDS, 17-year-old Serge in 1992 and Stéphane, 19, two years later. "The boys both homophobes, were infected by HIV when they were nine years old. 'A lot of victims spent time fighting those institutions to say, 'two guys were wrong.' " Landry adds, "It took a \$12-million copay for them to admit it."

Many are also troubled by Rod's hesitation to compensate all victims without first consulting with the provinces. Financial support "without delay" is a key recommendation in Krieger's report. Since 1980, HIV victims have received compensation packages first from the federal government and later from the provinces. But those—like Decarie's two sons and daughter—who were infected indirectly are not eligible. Nor are those infected with hepatitis C. "When we started talking about compensation, they scoffed," says Neil Van Dusen, a Sydney, N.S., hepatologist who contracted hepatitis C from the blood supply. "They said, 'Go away—you can live your entire life with hepatitis C and never have it affect you.'"

In Van Dusen's case, the demand for compensation is fuelled by a sense that time is running out. In an unfortunate coincidence, the 39-year-old had a serious internal hemorrhage just as Krieger produced his report. "Things will never get better for me—it's like sitting watching a clock tick," says the father of four children, aged 5 to 14. "I get worse and worse. Doctors tell me that eventually I will get so sick I will require a liver transplant."

Three of Van Dusen's brothers were also homophobes. One of them died of HIV and the other two are ill with hepatitis C—all the result of using tainted blood. "My wife and I say I was lucky. I didn't get AIDS," says Van Dusen, a postal worker, who now supports his family on disability benefits. "What do I have to look forward to? Here I was going through life and bags—I would like to know who is responsible, who are the people that played God?"

Many survivors, their families and advocates, including the Hepatitis C Society, are demanding that criminal charges be laid against those responsible. "We can't let them get away with it," declares Landry

"People in authority have to clean up—you can't leave the people who made these awful decisions in place." The anger is wide spread. "In Japan, Ireland and France, they threw people in jail," says Van Dusen, noting that other countries have also suffered from tainted blood supplies. "Here, thousands have died from this—needless, all for the wrong."



Landry lost his two sons. "The system has to be made better."

cost of saving patients—and key players get away totally unscathed."

Some victims say that those who managed the blood system who tainted blood products were being dishonest are guilty of nothing less than murder. "If a murder is committed, and two or three are killed, millions are spent to find the killer," states Landry. "Here, thousands have basically been murdered, but there didn't use a gun, they used a pin. Is it less of a crime?"

Others argue that the health system will never be safe until all of those responsible are removed from their positions of power. "These people who made bad decisions, some may be heard," says Landry. "Some may be motivated by greed, but a lot of them are still in positions where they are affecting our health care. I don't trust them. The system has to be made better—we owe it to those people. Otherwise, everybody who had because of this has had for nothing." □

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Edwark  
(left), Conley  
(center) feed  
just advice

# The deadly streets

BY JENNIFER HUNTER

**B**lood Alley is a laneway in the gritty Gastown area of Vancouver, just half a block north of East Hastings Street. One of the seediest streets in the Downtown Eastside, East Hastings is a rugged, unfettered market of drugs, drink and disorder. And casual drug use doesn't end. Blood Alley is a tiny street. At one end is the Gastown Medical Clinic, where heroin and cocaine addicts can seek help. At the other is Food For Thought, a drop-in centre where intravenous drug users who are HIV-positive can get a free cup of coffee, a muffin and some advice. Food For Thought was started last spring by two activists, Norman Edwark, 38, and Russell Conley, 32, who had been running a free lunch club in West End Vancouver for people—most of them gay men—with HIV. But then “we began to notice a change in the type of people who were coming for the lunch and how much they were eating,” says Conley. “People were coming back for fifth plates of food. Many were from the Downtown Eastside—they were spread

ing their money on drugs so they had nothing to buy food.” Conley and Edwark decided to open a space in the east side to provide food and information about HIV. “We had no idea it was this desperate,” says Edwark. “We thought it was bad—but not this.”

But it's getting a little better. The Downtown

## Seattle warns its addicts to stay away from Vancouver

Eastside is being gutted by an AIDS epidemic, spread by drug addicts who are shooting into every part of their body—muscles, arms, legs, even groin—then sharing their used hypodermics with others. According to AIDS researchers, this area of Vancouver has the highest rate of new HIV infection in North America. In the first six months of 1997, a record of 17 per cent, meaning that out of every 100 uninfected intravenous drug users

here, 17 will become infected with HIV every year. The final, shocking statistic is this: over 40 per cent of the 8,000 or so intravenous heroin and cocaine users in the Downtown Eastside are HIV-positive. “HIV is becoming more and more a disease of the poor,” says Dr. Brian Strathairn, one of the scientists studying the spread of the disease for the B.C. Centre for Excellence in HIV/AIDS.

The problem is so bad that in late October, the Vancouver/Richmond Health Board declared the HIV and AIDS epidemic to be a public health emergency. The B.C. situation has also sounded alarm bells south of the border. Health authorities in Seattle, Wash., where the rate of infection among drug users is only three per cent, have handed out 12,000 flyers to local addicts warning about the dangers of visiting Vancouver. The federal and provincial governments, meanwhile, have promised \$4 million, topped off with \$500,000 from the health board, to spread the word of the disease through outreach programs, stepped-up staff training and increased access to health services.

Doctors first noticed a big jump in the

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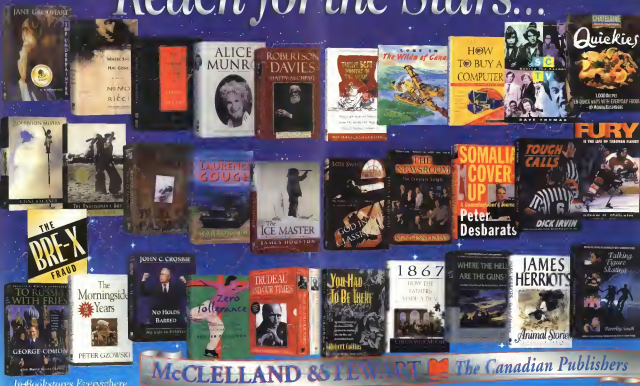
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## CANADA FOCUS B.C.

rule of addiction in the Downtown Eastside in early 1998—but were initially at a loss to explain it. They soon learned that drug users were beginning to inject cocaine—exacerbating the problem of shared needles. Heroin users generally need three hits a day to maintain their stupor; but cocaine addicts, on the other hand, need at least 30 daily doses. That means that even with a well-established needle exchange program in place, there can never be enough clean needles to meet the incessant demand. In fact, according to Strathdee, about 10 million needles would be needed each year in the Downtown Eastside to stem the widespread practice of sharing hypodermics.

That is the scenario that got Edwards—who is himself HIV positive—and Canley when they arrived on the Eastside. Food for Thought received \$100,000 in funding from the B.C. ministry of health. Starbucks provides free coffee and day-old buns and toasties, furniture and equipment. Street B.C., an organization that promotes the legalization of marijuana, provides \$2,000 a month for rent and fuel. "We wanted to open up dialogue about HIV and AIDS," says Canley, an artist who does not have HIV. "In the drug-using community down here, if you identify yourself as being HIV positive you are seen as a threat, you could get beaten up." As a result, he adds, few on the street will offer their own HIV-positive status as a precaution to prevent the spread of their illness.

The Food For Thought space at 52 Bloor Alley—a tiny, rougher lot a block and a half from the intersection and an array of potholes. On the walls are posters promoting the use of condoms, information about free needles, advice about coping with AIDS. During one recent morning, Royce Cassin, Albert Sutton and Mel Evermann, all denizens of the Downtown Eastside and all HIV positive, had taken advantage of the drop-in centre, knowing they could sit for a while and be treated like human beings. "This is a good place," said Sutton, who has been off heroin for two years. "People here aren't afraid to talk."

Cassin, a 36-year-old aboriginal man from Manitoba, is homeless—and says he has been clean for two months. His wife, Esbar, who is also HIV positive, is in the hospital, recovering from respiratory infections—the so-called "bird-flu" disease. Until he met Edwards and Canley, Cassin spent his time getting high on rice wine, \$10 pogs of

Vodka. Street tabs of Tylenol \$3, boxes of heroin and cocaine for \$30 each. Sutton, 35, whose tattooed arms—complete with scarifiers and the requisite "maked lady"—batter his years in a shelter, used to shoot up and prostitute himself. "Anything to get a fix," says Sutton, who is now on methadone, a prescription substitute for heroin. Evermann, 38, says, "Sometimes I don't want to talk about my disease—sometimes, I just want to die." And sometimes, he can't stay away from the ubiquitous drugs. "I see a guy sitting just long there or people are me and hand it to me, saying there's no stops attached, it's free." Evermann adds.

Edwards and Canley treat them and offer

pril in the area, says de Vries, that "you can get them delivered to your door faster than Chinese food."

De Vries has 160 patients who are HIV-positive, most addicted to both heroin and cocaine. His method of treating them is to try first to stabilize them with methadone to ease their heroin addiction and then tackle their cocaine addiction by putting them into recovery programs that will get them off the street and teach them life skills, before turning to their HIV. His practice is run on a drop-in basis—and de Vries knows better than to expect addicts to keep appointments. But, he says, "a lot of my patients want out of their addiction. Most of them come to me seeking an exit. They don't want to live like this



Downtown Eastside: sharing needles, 40 per cent of 8,000 cocaine and heroin users are HIV-positive

advice. "You drive down Hastings Street and you want to look your car and roll up your windows," says Edwards, who is now a disability because he can no longer work as a graphic artist. "But then you start hearing the stories and you want to cry." And if people need medical help, they need them a few doors down to Dr. Stanley de Vries at the Golden Medical Centre.

de Vries is an Iranian war veteran, one of the few doctors who practices in the Downtown Eastside and is licensed to dispense methadone. Outside his office one day last week, Andrea, a dark-haired woman in her 20s, did what is called the "hinky chicken walk," bobbing up and down, wearing like a punch drunk boxer—a sign that she was high on cocaine. Andrea had not slept for four days, signs of her addiction were also evident in the bloody track marks scarring her legs. Heroin and cocaine are so easy to

acquire—their drug use stopped being a long time ago.

He believes Edwards and Canley "have been a godsend." Nobody, he explains, "was talking here about AIDS openly. What Norman and I used to do was to start dropping with the drug-using community." And, since Edwards is HIV-positive himself, de Vries adds, "he has shown them you can live positively with the disease. He has dispelled the myth that HIV means instant death." Edwards believes the answer to the AIDS epidemic lies in more education and addiction recovery programs. "What I see here keeps me angry," he says. Angry enough that even though his doctor has told him he is dying, he will stay here, hawking old needles, dispensing information about AIDS, filling out cups until he can no longer enter police. Trying to salvage a few lives. □

# A fighter for justice

BY RAE CORELLI

During the 1984 Winter Olympics in Sarajevo, two Canadians who had become lost on the city's streets set off in search of a ride. Bounding a corner, they spotted a parked and empty bus, the keys in the ignition. "Joke, if you can drive that thing," said Supreme Court of Canada Justice William Estey. "It's as good as mine." So John Sopinka, one of the nation's top trial lawyers, got behind the wheel and they set off for their intended quarters. "We'd only gone about a branded yarda when we saw the driver running after us, pulling and hollering," says Estey, who retired from the bench in 1988 and now practices law in Toronto. "He was so glad to get his bus back that he didn't beat us up and what's more, showed us how to get home." Estey's story was one of the fond reminiscences and trifles that circulated last week as a legal profession shocked by the death on Nov. 24 of Justice John Sopinka, Estey's successor on the Supreme Court. Said London, Ont., trial counsel Earl Chernick: "He was a hell of a lawyer."

The third Supreme Court judge to die in office in the past 12 years—Chief Justice Brian Dickson (1986) and John Crampton (1987) were the others—Sopinka had been diagnosed with a rare blood disorder about six weeks ago, but had continued working while undergoing treatment. His death at 64, three days after entering Ottawa Civic Hospital, stunned judges and lawyers long familiar with Sopinka's omnipresence on the bench and his dexterity on the squash court. "If there was one person that I thought would live to be 95 or 100, it was him," said Toronto lawyer Peter Howard, who worked for Sopinka as an articling student in 1978.

Two days after Sopinka died, his coffin was taken to the granite-walled rotunda of the Supreme Court building overlooking the Ottawa River. Prime Minister Jean Chrétien, a visibly shaken Chief Justice Antonio Lamer and Health Minister Allan Rock, who once studied law under Sopinka in Toronto, were among the more than 400 people who filed past the flag-draped casket. At one end, a bouquet of tiger lilies, the provincial flower of Saskatchewan, acknowledged Sopinka's Manitowish roots; at the other end, burning

hazards of Bresler, 80 km south of Saskatoon. Lamer, his voice breaking, said the judges would miss their colleague's "blend of profound intelligence, infinite compassion and respect for justice."

But Sopinka displayed other attributes as well. In his 28-year law practice, he was a re-

## The Supreme Court mourns the loss of a celebrated colleague



Justice Sopinka: a mentor to a whole generation of lawyers

lessless, committed and driven adversary who found the time to become an accomplished violinist—concert music, not baroque," says Estey. Among those present at his week-long funeral was Susan Plax, who, as a victim of sexual assault, was a subject in the deaths of several babies at the Hospital for Sick Children in Toronto in 1980 and 1981. She was formerly charged with murder, but the charges were dropped in 1982. Two years later, Sopinka represented her before an Ontario government ordered inquiry into the deaths. Among the conclusions, police were justified in arresting Plax, but there had never been enough evidence to put her on trial.

Sopinka's combativeness had long been apparent. He was a halfback on the University of Toronto's Varsity Blues football team that won the 1954 intercollegiate championship, a defensive back with the CFL Toronto Argonauts from 1955 to 1957 and the Montreal Alouettes the following year. And he proved to be as tough in the courtroom as he had been on the football field. "He was the most competitive person on the face of the earth—he had to outwork, outperform and out-think," says Howard. "He couldn't play squash for fun, he had to beat you. But I loved him—he was tremendously loyal to the people who worked for him."

Opponents were a different matter. "If he could find a way to beat you within the rules," Howard adds, "he would do it."

That doggedness, says Estey, chairman at Hockey Canada at the time of the 1984 Winter Games, is why he picked Sopinka for the trip to Sarajevo. The mission: to try to persuade the International Olympic Committee to lift its ban on professional hockey players. (It finally did in 1989.) "He had a real sense of the law and you didn't have to hit him over the head with some legal point to get him to look at it," says Estey. "He was an excellent counsel."

During nearly three decades, many lawyers came to the same conclusion. In the mid-1970s, Saskatchewan lawyer Willy Halyk was hired by the Saskatchewan attorney general to prosecute the Bank of Nova Scotia for fraud for the way it handled the assets of a furniture company that had gone bankrupt. Sopinka, hired by the bank, contacted the court to dismiss the charges. "I liked him and I always remember how anxious he was to get out of the courtroom and onto the tennis court," Halyk recalls. "I kind of admired that and was for a drink, he'd be off to play tennis. I should have learned to mistake him."

Sopinka was equally respected as a judge. "Once in a while he'd get off on a trip to the moon with some argument," says Estey, "but the court will miss him tremendously when it comes to common sense." Toronto lawyer Clayton Raby says, "They're all pretty bright up there, so no damages to yourself; you really have to be exceptional—and he was exceptional."

Windsor trial lawyer Harvey Strassberg, head of the regulatory Law Society of Upper Canada, was an articling student of Sopinka's in 1960 and had been scheduled to argue a case before him and spring. "He was a mentor to a whole generation of lawyers and we will miss him," Strassberg said. "It is a formidable legacy. But then it was created by a formidable man."



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## Canada NOTES

### MORE CHILD POVERTY

Campaign 2000, a group representing 60 agencies, reported that a record 1.8 million Canadian children live in poverty. The report, based on 1995 data, said the number of poor children has increased 50 per cent since 1980. The report defined a family as poor if 55 per cent or more of its income is spent on food, clothing and shelter.

### UNITED THEY STAND

The general council of the United Church of Canada said it unanimously supports Rev. Bill Phipps, the embattled minister who has questioned the divinity of Jesus. The council said Phipps's comments fall "well within the spectrum" of the church.

### FIGHTING WORDS

During a visit to Edmonton, former Quebec premier Jacques Parizeau renewed his claim that the 1960 referendum was lost due to "money and the ethnic vote." This time, however, Parizeau specifically blamed Greeks, Italians and Jews. In Verdun, Que., meanwhile, fistfights broke out between federalists and separatists led by former FLQ terrorist Raymond Villeneuve. The incidents occurred outside City Hall, where separatists rejected a resolution that Verdon remain part of Canada in the event of a unilateral Quebec declaration of independence.

### AIRBUS RESPONSE

Federal Justice Minister Anne McLellan said the RCMP, not the government, must decide whether to extradite a controversial 1985 letter to Swiss authorities alleging that former prime minister Brian Mulroney received kickbacks in the 1980 sale of Airbus jetliners to Air Canada. Mulroney, whose \$50-million lawsuit against Ottawa resulted in an out-of-court settlement and an apology last January, has threatened further legal action if the letter is not withdrawn.

### PAYING FOR PATRONAGE

Prince Edward Island's Conservative government agreed to pay \$750,000 to 314 employees who claimed that they lost their jobs to patronage appointments after the 1995 provincial election. Although the lawsuit is a time-honoured tradition on the island, discrimination based on political affiliation is not allowed under Prince Edward Island's Human Rights Act.



### BACK IN COURT:

A police phalanx surrounded murderer Paul Bernardo as he was led to an Ontario Court of Appeal hearing last week in Kingston, Ont. Bernardo, who sexually tortured and killed teenagers Leslie Mahaffy and Kirsten French, wants his murder convictions and designation as a dangerous offender overturned. The court's three judges reserved their decision on whether Bernardo should get a legal aid lawyer to help him with his appeal. Donna French, Kirsten's mother, said it was "very upsetting" to see Bernardo in court again. "But I do believe everyone has the right to an appeal," French added. "I guess that's the price of democracy."

## The Dionnes demand their due

They were Canada's most famous ballet: the Dionne quintuplets. Now 68 years old, only three survive—Viviane, Croile and Annette. All are forced to live off a \$700 monthly pension—and they are demanding to know why. In the 1950s, the girls generated scholastic Quebecism, a fierce pride in their Northern Ontario home town of Corbeil. About \$800 million flowed into the area and a trust fund was established for the girls, who were wards of the state. At age 21, the quintas received the first of three instalments on a \$600,000 payout, mostly long-term GICs. Last week, the Dionnes asked Ottawa for a public inquiry into how their trust fund was managed, a request the government

said it would consider. A plea for financial compensation, however, was turned down.

The sisters say their trust money was used to pay police wages, build public washrooms and maintain Quebec's. Normally shy of publicity, they also took the uncharacteristic step of venting their concerns on U.S. television last week, charging that they never saw most of the money Ontario made from such ventures as the sale of quintas memorabilia. "It's revoking," Cécile Dionne said. "They tell so many things on our back and now we are without money." She requested her representation on CBC television the next night. "We generated a lot of money," Dionne said.

## Legislating postal employees back to work

The work began with the federal government appointing mediator Warren Edmondson to back-seat stalled negotiations between Canada Post Corp. and representatives of the Canadian Union of Postal Workers' 45,000 striking members. After signs of progressarity in the week, talks bogged down again, principally over wages and changes to letter carrier routes. By week's end, Ottawa had had enough, and announced that it intends to legislate postal uniform back to work. That, however, could still take several days as the legislation winds its way through Parliament. Said Edmondson: "There was just not sufficient flexibility in both sides to get a deal."







undermined by everybody." And even Mahathir listened closely while Mexican President Ernesto Zedillo recounted his country's wrenching passage through a credit and currency crisis that even in 1994 and 1995 Zedillo's message was unopposed, and a Canadian official, "It was 'Do the right thing, don't panic.' Pay the short-term loan for the long-term gain."

In fact, the leaders seemed to decide that they would proceed with a few modest tariff reductions—but offered little in the way of assistance to Asia's troubled economies. Instead, they endorsed an agreement reached a week earlier by officials meeting in Manila. That plan would continue an ill-defined new system to monitor financial discipline and offer backup funding to the IMF. It is a nod to Mahathir, the leaders also agreed to examine an IMF report on the role of what they called "market participants"—code for currency speculators—in the crisis. China insisted it was enough. "In my conversations with the leaders," he told reporters, "they all see growth in the Pacific region despite the recent turbulence. They don't see that it will cause recessions in their domestic countries."

But others saw a far different and more frightening outlook. "People are talking brown," observed Gordon Ritchie, a former former Canadian trade negotiator and now an Ottawa-based consultant. "The I would hope the public first that this is no big deal. This economic crisis carries quite serious implications for Canada, and for North America's relationship with Asia." That is already clear in British Columbia, where layoffs in the forest industry blazed largely as a slumping sales to Japan, reached 11,000 people last week—12 per cent of the sector's entire workforce. Nonetheless, the number of jobs at risk to lost export sales to Asia could reach four times that number.

Much will depend on where Japan turns its hands to bail out its sinking banks. The Japanese effort required is Herculean. "This is going to be a lot bigger proportionally than the savings and loan thing was in the United States," says Ritchie. "An order of magnitude bigger." One source of funds is the vast public deposits in Japanese post office savings accounts. The accounts that pay a miserly 0.25 per cent for

term held reserves worth roughly \$500 billion, that touching the board is politically risky for Mushikawa's government. Japanese lenders visited singly when Tokyo bailed their accounts for just \$7.6 billion last year to rescue troubled mortgage lenders. Another far more alarming option is for Japan to begin cashing in some of its \$1.4 trillion in foreign assets, nearly a third of them U.S. Treasury bills—a step that would likely trigger soaring U.S. interest rates. "The Armageddon scenario," says Chirba, "is that the Japanese will drop the American shares and American government securities they hold."

Chirba, however, sees that prospect as unlikely. For more probable—virtually inevitable, in fact—is a surge in Japanese exports, fueled by a devalued yen and North American consumers eager to snap up bargains in made-in-Japan goods and Toyota. That would further aggravate Japan's trade surplus with the United States, already running at \$127 billion a year, on the eve of 1998 mid-term congressional elections. "Chicago is already in an ugly mood on protection issues," notes the Royal's McCullough. "As this trade surplus gets bigger and bigger, they are probably going to go ballistic. And if they go ballistic, Canada gets caught in the crossfire."

Chirba could intervene elsewhere too. Since he's a presidential election later this month in which the economy will be virtually the only issue, Japan's parties must defend their handling of the banks in elections next summer. With the crisis far from over, few were willing to make sanguine predictions that far ahead. "We are holding our breath," admitted Takahito Sato, director general of Japan's Economic Planning Agency last week. Like Korean schoolboy Lee Man-bae, he might also have been sure to take a class, hard look at his penises.

His BENTON & BOWLES ad in Toronto, PETER MCLELLAN in Tokyo and JASON KIELLY in Seoul

## BILLION-DOLLAR BUDDY

When asked at a news conference in Ottawa about the state of Canada-China relations, Prime Minister Jean Chrétien voiced a simple "very good." His guest, China's President Jiang Zemin, found it impossible to be so brief. Gently reaching out to put Chrétien's arm, a smiling Jiang said in English, "I would like to speak more words, thank you," and launched into a flowing speech in Mandarin on the "long-term health of relations." The Chinese leader's knowledgeable and engaging style was evident again that evening in Toronto when he addressed a ballroom of 1,300 business and political leaders who had paid \$300 each. The Shakespearean fan expressed his audience by reading several sentences in English and concluded with "after development."



Jiang in Calgary: no glance at the protesters

Toronto. In Ottawa, prominent Cleveland Henry Wu, now a U.S. human rights lawyer, called the Communist China needs the West more than the West needs China. "We said

Publicly, Chrétien was softer on Jiang than U.S. President Bill Clinton was in Washington five weeks earlier. But both the Prime Minister and Foreign Minister Lloyd Austin made that Ottawa has gone further than any other nation in quietly nudging China towards democratization. In their private talk, Chrétien noted that and offered to take in 13 political prisoners on a list that Austin presented last April. "Can't you release even one?" Chrétien asked. Jiang, a reference to the sudden release of activist Wei Jingsheng three weeks after Jiang's meeting with Clinton. Jiang did not respond.

For Henna Dwyer, Calgary organizer of the Canada Tibet Committee, the red-carpet treatment accorded Jiang was particularly painful. "More than 1.2 million Tibetans have been killed by China and this man gets a 25-gar salute," he said. Jiang saluted right past Dwyer into the Palmer Hotel for a core luncheon with Gov. Gen. Roméo LeBlanc, without a glance at the protest. Later, Calgary Mayor Al Duin gave him the traditional white cowboy hat just before Jiang made an impromptu stop to Banff. It was about the only lightening he did. In Toronto, Jiang spent his entire 18-hour visit indoors, never even glimpsing the protesting protesters outside.

NEWS ANALYSIS with DAVID ELSZNER in Calgary and BRUCE WELLS in Ottawa

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# Paying the price

## How Asia's financial crisis hurts Canadians



Checking exchange rates: weaker demand for raw materials puts pressure on the dollar

For six months, Nicholas Bianchi and his wife, Jennifer, have been searching for a house in central Toronto. But until last week, they were in no hurry to buy. What changed their minds was Bank of Canada governor Gordon Thiessen's decision to raise short-term interest rates by a quarter of a point to 5.5 per cent. With more increases apparently on the horizon, consumers say soon be scrambling to lock in their mortgages and loans. Said Nicholas Bianchi: "Now, I feel pressured to buy a house, just so we can beat the next interest rate increase."

Normally, interest rates rise when investors fear rising inflation, but this is not the problem now. Instead, the Bank of Canada's move last week was intended to prop up the Canadian dollar, which has been side-swiped by turmoil in Asian financial markets. In recent weeks, currency traders have aggressively sold off the dollar in the belief that Canada's resource exports will suffer as demand shrinks in Asia. Already, there have been widespread layoffs in the British Columbia lumber industry, and Japan's steel producers are now demanding a cut in the price they pay for Canadian coal.

Several times this fall, Thiessen has threatened to raise rates to slow Canada's economic expansion, which he believes is unsustainable and could eventually lead to higher inflation. Interest rates

traders point out that Canada's prime rate, at 5.5 per cent, is well below the U.S. prime at 8.5 per cent, a gap that benefits consumers but encourages investors to look south for higher returns. As the Asian currency crisis deepened over the last two months, the central bank acquired two more compelling reasons to raise rates: Investors dumping their holdings in that part of the world are buying the U.S. greenback, pumping up its value against the Canadian dollar. At the same time, the slumping demand for raw materials in Asia adds to the downward pressure on the currency.

Speaking to the House of Commons Finance Committee last week, Thiessen made a plea that he would raise rates again before hitting the dollar off below the psychologically important 70-cent (U.S.) barrier. His concern is that a lower dollar would stimulate even more growth in the economy, which he says is already booming, while making imports more expensive. Canada, Thiessen added, "does not need more stimulus that would weaken its currency."

With the decline in Asia spending, economists say it may take more than a quarter

point increase to keep it above its all-time low of 69.2 cents, set in February 1986. In fact, after a brief rally following last week's interest rate boost, the dollar floundered the week virtually unchanged at 70.23 cents. "The Asian crisis has only made matters worse," said Andrew Pyle, chief economist at Toronto-based ABN AMRO Bank Canada. "Rate increases are going to be significant and abrupt."

The irony is that Thiessen may find himself raising rates even as the Asian meltdown slows the domestic economy and further dampens inflationary expectations. Until the Asian crisis, economists were predicting that Canada's gross domestic product would increase by about 3.2 per cent in 1996, creating 275,000 new jobs. But last week, analysts were scrambling to adjust those figures downward. If the archipelago pushes Japan into a full-blown recession, they say, it could slice a half-percentage point from Canada's GDP and push the unemployment rate back over 10 per cent. "People have not yet come to terms with the full extent of the Asian monetary crisis," said Peter Goss, chief economist at Toronto-based Scotia Investment Counsel Inc. "The big question is, what will it do to the engine of growth, the U.S. economy?"

In Canada, the Asian slowdown has primarily hurt raw material exports, but a number of small manufacturers have also been hit. Last summer, Viceroy Breweries Ltd. of Toronto opened a plant in Vancouver to produce prebiotic beer bottles for the Asian market. The strategy was paying off, with Japan accounting for as much as 62 per cent of Viceroy's sales. But when the slumping yen made imports of bottles more expensive, the market collapsed and profits fell 30 per cent to \$1.8 million in the first six months of this year.

A similar fate has befallen the B.C. resource sector. In 1995, Asia bought 37 per cent of the province's exports—primarily pulp, paper and softwood lumber. Japan alone consumed almost half the province's total lumber exports last year, worth \$2.5 billion. But construction in Japan has slumped, with the result that dozens of lumber mills have closed across the province. Coal exports will also be hit. In 1995, Japan's steel industry imported 13.9 million tonnes of metallurgical coal, or about half the country's total exports. Squashed by falling demand for steel, the industry is now demanding a five-percentage point cut in coal prices. Coal producers may have little choice but to do what Gordon Thiessen did last week: whittle away with pressure for higher interest rates to give it.



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Soldiers serve refreshments to villagers after building a school, problems of corruption, drug running and a paralyzed government

## Canada's troops head home

The end of the UN peacekeeping mission raises fears for Haiti's future

The little village of La Melle, high in the country's remote eastern hills, is home to some 300 people and an unknown number of stragglers and wandering goats. As of last week, it also hosts a makeshift school—courtesy of the Canadian taxpayer. It is a modest structure of plywood and corrugated iron, but a distinct improvement on the old one, a 60-year-old shack with a dirt floor and a leaky roof. Canadian peacekeepers built La Melle's new school in the last few weeks of their mission to Haiti, ferrying the materials into the hills by helicopter. As they prepared to leave the country, they went back up to the village and turned it over to the people. There were speeches and a ribbon-cutting ceremony—and a sad acknowledgment that even a one-room schoolhouse must still come as a gift from foreigners dropping out of the sky.

"Our own government has no presence here at all," said the local mayor, a 30-year-old woman named Mimi Alcman. "Nothing."

The Canadian's mission to Haiti ended officially on Nov. 30, when the United Nations peacekeeping mandate expired. The 1,200 UN troops—including 650 Canadians—were to start flying out this week. For 2½ years, they guarded the streets, trained a new national police force and gave Haiti's shaky young democracy a chance to take root. As they leave, the country

aspires. There is little sign of what were had predicted and many had feared: a slide back into violence and anarchy. Publicly, Canadians and UN officials say far 5,000-strong Haitian National Police, created in 1995 to replace the corrupt and repressive army, is ready to take over. Privately, they list a host of problems that make Haiti's future cloudy at best. The young police force—despite

training from Canadians, Americans and others—is already plagued by corruption. Drug money is pouring in, as South American traffickers channel more and more shipments through Haiti. The economy of the poorest country in the Americas remains stagnant, inflation is rising—and the government has been paralyzed since midsummer. Along with the Canadian force's commander, Col. Gordon Chis, came ironically, "It is not a easy place."

Nonetheless, it is time to go home. The UN mandate was extended several times at the request of the Haitian government. But now, even the Haitian who benefited most from the presence of foreign soldiers agrees it is time for his country to go it alone. Jean-Bertrand Aristide, the charismatic former priest who was restored to power three years ago by 20,000 American troops, told Maclean's that he is grateful for help from Canadians and other nations. But, he added, Haitians must take charge of their



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own destiny. "If we don't assume responsibility for our own security, how can we be responsible for our sovereignty?" Armand said in the sprawling white maroon on the outskirts of the capital, Port-au-Prince, that is both his home and his political headquarters. "It's up to us now."

Still, it is precisely the ability of Haiti's political elite to run the country that most worries the departing UN forces. Armand's friend and ally, René Préval, accused of having presided early last year—the first democratic transition in a violent history that includes the brutal rule of François (Papa Doc) Duvalier and that of his son Jean-Claude (Baby Doc), who went into exile in 1986. But for the past five months, Préval's government has been mired in a crisis that might be considered not basic such tragic consequences. Aside, while professing support for his successor, publicly attacked Préval's possession of privatization and cuts in government spending. Préval's first prime minister, René Barthe, resigned in June, and Parliament has refused to confirm a replacement. Préval has an party to back him, and a top UN official frankly dismisses him as "very ineffective." The result is that Haiti's government—almost non-existent at the best of times—has virtually ceased to function. An estimated \$142 million in loans from such bodies as the World Bank is stuck in limbo, awaiting formal acceptance by the government. Inflation is running at 17 per cent, and life is harder than ever for the mass of people.

Enriquez ter Horst, the Venezuelan diplomat who landed the UN mission, confided early on he prepared to leave last week that "democracy has not been able to deliver the goods—and that's a dangerous situation." And Jean Robert Sebelius, a longtime foreign minister under Armand who is now an independent member of Haiti's Senate, says the government has wasted a rare opportunity. The right-wing forces that long dominated Haiti were then mostly discredited when American troops toppled the violent military regime of Lt. Gen. Raoul Cédras in 1994 and brought Armand back from exile. But, says Sebelius, the people now in power "don't know how to run things, and it's a real pity for the country."

The action of the politicians are quickly put in perspective as Sebelius turns himself from an interview to attend to a real emergency: 10 people have drowned in a canal in

Port-au-Prince's worst slum, Cité Soleil, because no one bothered to tell the people living there that it would be flooded with water. "No one would think of that," he says.

The Canadian soldiers who patrolled the streets and alleys of the capital saw their share of such things. For months, while the new national police force was being trained, they provided the only security in a notoriously violent city—stopping fights, taking sick people to hospital, at times rescuing

## For months, the Canadians provided the only security in a violent city



Lowering down the flag at Maple Leaf Camp in Port-au-Prince, goodbye

suspected thieves from the rough justice of a vigilante mob. In recent weeks, they withdrew from the streets and let the Haitian police take over. But as Sgt. Jérôme Fillion, a 30-year-old native of Chicoutimi, Que., let the last Canadian last patrol through Croix des Bourgeois, the city's sprawling portside market, last week, it was clear they had built up considerable goodwill.

They flavoured their way among stalls displaying peppers, rice and meat crowding with fish, and women crouched on the ground hawking bunches of charcoal. Whole loaves of soba in levels fashioned from cardboard and seeking the warmth of a hot oil bath. And that, for a few, was a sense of release. The soldiers were greeted with friendly cries in Creole of *bannan* and *bon bon* (literally, good whines). "The Americans couldn't walk through here," said Cpl. Ker-

ne Miel, a 29-year-old Haitian-Canadian from Montreal who serves as a communications specialist and translator. "The people love us, that for us, it's OK."

The last Canadian contingent, which arrived in August, also leaves behind two dozen so-called humanitarians, projects—including new wells and the school at La Neule. The school cost only \$10,000, but the Canadians leave with a sense of having contributed something, however small, to a country in dire need of almost everything. The village has no electricity or running water, women (mostly men) walk an hour and a half every day along rutted paths to fetch drinking water in plastic pails. Cpl. Michel Lafrenière, 35, from Granby, Que., helped to build the school. A few days before it was finished, he attended a church service in the village, and found himself moved by the gratitude of local people. "I gave me goosebumps."

The United Nations' legitimization was to support and train the Haitian National Police, the only armed force in a country of 7.2 million. For a nation with no tradition of honest and independent policing, that is a daunting task. Already, some 500 officers have been disciplined for corruption; another 170 have been fired and 60 of those are in prison for extortion, corruption or even murder. To reduce its reputation, the UN has paid \$420 a month to head some money in a place where the average income per person is just \$383 per year. But tradition is hard. "The moment you get power in this country, the tendency is to abuse it," remarks a senior UN official, "and the police are no exception."

Drugs are one of the biggest problems. The U.S. Coast Guard has effectively stopped drug transshipments through nearby Port-au-Prince in recent months, forcing traffickers to move their operations elsewhere, such as Haiti. In one week in early November, 40 boats in three ports were implicated in smuggling cocaine seized from smugglers. And drug money flowing into the country's banking system. Until recently, according to information received last week by UN officials, about \$71 million a month was coming in as remittances from Haitians working abroad. Now the figure is between \$85 million and \$113 million—and the dramatic jump is almost certainly due to drugs. The fear is that, in the absence of other economic activity, the drug trade could overwhelm the economy. "We don't want to end up as a narco-democracy," says Armand. "We have

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## WORLD

to make sure the police force is clean, and we have a real democracy." But, he cautioned, the process will be slow. "We are the inheritors of 200 years of institutionalized violence and corruption. We have to overcome that one step at a time."

The new police face even more basic problems. Many stations, especially in rural areas, lack mobile phones. A visit to a station near the presidential palace in Port-au-Prince found a dozen officers lounging about, with a few drinking beer on the street outside. In one, prisoners in a crowded holding cell complained loudly that they had been there for four days, even though Haiti law guarantees a court appearance within 48 hours. Donated equipment is quickly smashed—and soldiers required. Patrol cars emblazoned with the words "Gloire de la République de Haïti" (Glory of the Republic of Haiti) were on cement blocks, their tires missing and their interiors stripped. All that, along with the continuing government deadlock, persuaded the United Nations to keep 200 foreign police advisers in Haiti after the troops leave. Some two dozen Canadians will be among them, but the biggest group will be a so-called Quick Reaction Force of 90 heavily armed Argentine paratroopers that will give muscle to the outgoing UN presence.

They may well need it. Chaos is rising,

with home invaders and competing the latest trends. Many in Port-au-Prince believe that heavily armed gangs are waiting for the UN troops to leave before re-emerging in force. The good news, UN officials say, is that there is no sign that the violence is politically motivated. The army that ser-

al, "The population is remarkably stable."

In fact, Brig.-Gen. Robin Gagnon, the Canadian who commands all UN troops in Haiti, distributes a chestful every Monday of only seven murders per 100,000 people—about the same rate as Barbados and far down the list from El Salvador, with 145, and Colombia, with 88. The figures may well be highly questionable: collecting statistics in a place like Haiti is at best a dubious undertaking. But, insists Gagnon, "it's not so bad here." At the same time, he adds, "we don't kid ourselves. We haven't changed Haiti."

Gagnon's optimistic figures would surprise many in Port-au-Prince's chaotic markets. There, the talk last week was not about the departure of the foreign soldiers, but about the rising cost of living and how dangerous the streets are after dark. "There's no security around here," said Gaspard Derodière, who was selling mushrooms, peppers, beans and rice at the old before Jean Michel. "You have to get home before the sun goes down—or that's it," she added, drawing a finger across her throat. "Only God is watching over us. No one else." At the very least, it is no longer the *bon lieu* from Canada. □

A top UN  
official  
dismisses  
Préval  
as 'very  
ineffective'



The president, moved to crisis

vinized Haiti under Cédras is dispersed, ended or pulled. And the wonder is not that there is violence in such a deprived society—but that Haiti is relatively calm with only 5,500 inexperienced and ill-equipped police watching over seven million people. "More people are killed in New York City every day than here," insists Senator Schul-

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## World NOTES

### EARL SPENCER'S WOES

Britain's tabloid press gleefully trumpeted the troubles of Earl Charles Spencer, who was accused by his estranged wife of being a "lone soldier" who had 12 affairs during their five-year marriage. At the funeral of his sister, Diana, Princess of Wales, Spencer had lashed out at the tabloids' invasion of her privacy. But details of his own marriage came from an open hearing in Cape Town into whether a settlement with Lady Spencer will be decided there or in London. Spencer's wife is seeking \$9 million, plus \$12,000 a year for each of their four children.

### HONG KONG DEMOCRACY

Hong Kong's most popular political party gave up its bid for seats in China's parliament, saying the coming contest was "in doubt." The decision left the struggle for 35 of the body's nearly 3,000 seats restricted to Beijing-supported candidates. The indirect contest is separate from next May's local legislative election.

### INDIAN CABINET RESIGNS

India's Congress Party withdrew its general support from the United Front coalition, forcing the government to resign and leaving leader Kumar Gajpal as a caretaker prime minister. If the World's most powerful Bharatiya Janata Party and Congress fail to form a new government, Indian elections will have to be called.

### SADDAM TALKS TOUGH

The war of words continued between Baghdad and Washington as Iraq said no UN arms inspectors would be allowed into any of President Saddam Hussein's 70 palaces. Baghdad, however, said "other foreign experts" could be allowed to visit them.

### TENSION IN LISBON

Israel launched a series of air raids in southern Lebanon, firing rockets into guerrilla outposts north of its 15-km self-declared security zone. Israeli soldiers also clashed on the ground with Iran-backed insurgents.

### COLOMBIAN DRUG STRIFE

Two car bombs exploded in the drug-war-torn streets of Cartagena and Medellin, apparently in response to a Colombian Congress vote that partially lifted a six-year ban on the cultivation of drug traffickers and other criminals.

## Winnie in the hot seat

Former archbishop Desmond Tutu described it as exactly the kind of innocent his panel on South Africa's apartheid-era crimes was supposed to provide. An emotional Paul Verriy, a white Methodist bishop, looked white Madikizela-Mandela in the eye from across a Johannesburg hearing room and begged for a reconciliation. Verriy also tearfully apologized for not doing more to protect Stompot Seipei, a 38-year-old boy whom the ex-wife of President Nelson Mandela has been accused of killing. Verriy's outburst at the Truth and Reconciliation Commission came midway through a dramatic week in which more than 30 white men's friends Madikizela-Mandela to a series of crimes, including snatching Seipei and three other boys from the minister's church and fabricating allegations of sexual misconduct against him. She was convicted in 1991 of kidnapping in the Seipei case, but her sentence was reduced to allow an appeal. The father of another youth, Lolo Sono, who has not been seen since 1988, testified that Madikizela-Mandela brought the boy to him beaten and bleeding, but refused to release him to his family.

Madikizela-Mandela, who married her husband on the same day as the president divorced a year ago, often looked angry as several leaders of the African National Congress recounted the violent activities of her bodyguards. Known as the Madikizela United Football Club. One with arms and she was ordered to stop leading to drawn out the screams of boys beaten for allegedly being intransigent. Others spoke of cleaning blood off walls.

The behavior of the club caused a rift between supporters of the two Mandelas, which has only



Madikizela-Mandela at hearing: 'ought to hold office'

deepened with time. Anneke Booysse, a senior member of Nelson Mandela's government, said from the stand that the president's former wife should be declared "unfit to hold public office." Madikizela-Mandela, who currently heads the women's division of the ANC, is running for the deputy presidency of the party at its conference this month. Although she was not due to testify until this week, she has steadfastly denied all allegations against her and has not requested immunity from the commission. Last week's testimony implicated her in six murders, although some of it was conflicting. British politician Diana Nickolous, who has long headed a former football club member who claims he saw Madikizela-Mandela stab Seipei, said she will launch a civil suit on behalf of the victim's grandparents do not charge the woman once known as "The Mother of the Nation."

### PERSONAL

## Was Dr. Zhivago's Lara a KGB spy?

The woman who inspired the fictional Lara in Russian author Boris Pasternak's Dr. Zhivago may have spied on him for the KGB, according to a just-published letter. In 1963, Pasternak's longtime agent and mistress Olga Novikova, played by Julie Christie in the movie version, wrote from prison to then-Soviet leader Nikita Khrushchev to ask for clemency, saying she had tried to seduce Pasternak. Dr. Zhivago was banned in the Soviet Union. Communist leaders,

she wrote, "did this to try to prevent Pasternak from meeting foreigners and I have done my best." The letter was released by Russia's State Archives as part of a battle with Novikova's heirs over rights to some of Pasternak's papers.

Pasternak's son Yu. Yu. delayed disclosure, saying the letter constituted far contacts with the intelligence services and that she, in fact, persuaded his father, Nikolai Pasternak, widow of the writer's other son (living), to be allowed to keep the historical papers away from Novikova's heirs, who she says just want to sell them for a profit. Pasternak was forced to return the Nobel Prize for literature in 1958 and died in 1960. Novikova served eight years for her ties to Pasternak and died in 1993.



Robert Chisholm, president of TD Bank

# Ready to dance

BY JOHN SCHOFIELD

**Canada's banks are pushing for the right to merge**

**T**heir agendas are dusty relics from Canada's financial past: the People's Bank of Halifax, Standard Bank, Banque Ville, Maritimes and dozens more. They disappeared in the years after Confederation, and by 1874 there were more than 50 large and small banks scattered across the fledgling nation. Not all were progenies of probity: by the First World War there had been 26 bank failures, 29 resulting in criminal charges against senior executives or employees. By then a gradual abolition of state aid was under way. Now, only the major institutions remain, and many in industry circles believe the number will decline further as a result of a worldwide wave of consolidation and the banks' own desire to become bigger. "Canadians are living in the last years of their old Big Five banks," Bank of Montreal chairman Matthew Barrett wrote recently in a letter to senior employees. "We should make it easier to make acquisitions abroad or be acquired at home."

Thus Ed Barrett and his colleagues have tried up to preach that free-market message to bank directors on the future of the financial services sector. If the industry has its way, the 13-member panel, led by British corporate lawyer Harold MacKay, will recommend that Ca-

nada remove the last remaining barriers to expansion when it delivers its report next September. Among their objectives is the so-called 10-per-cent rule, a stipulation that discourages mergers or foreign takeovers by barring any one stockholder from owning more than one-tenth of all the shares. In addition, the banks want the federal government to abandon its "buy-shall-not-buy-it" policy, an informal guideline that for years has prevented banks from buying other large financial institutions (the stage could be set for a series of subsidiaries week federal permission before opening new branches).

Watching from the sidelines, Canadian consumers might be forgiven for thinking that Canada's banks are already powerful enough. Profits for the country's five biggest banks are expected to total \$7 billion for fiscal 1997, 16 per cent higher than in 1996. Last week, the Bank of Montreal announced a record \$1.6 billion profit, up 12 per cent from last year, while the Bank of Nova Scotia

also reports the last remaining barriers to expansion when it delivers its report next September. Among their objectives is the so-called 10-per-cent rule, a stipulation that discourages mergers or foreign takeovers by barring any one stockholder from owning more than one-tenth of all the shares. In addition, the banks want the federal government to abandon its "buy-shall-not-buy-it" policy, an informal guideline that for years has prevented banks from buying other large financial institutions (the stage could be set for a series of subsidiaries week federal permission before opening new branches).

## MONEY MACHINES

Continued earnings of Canada's five largest banks, in billions



CIBC close behind at 18. In 1995, they were in first place and Glaxo, respectively. The result, industry players say, is that Canadian banks are becoming more willing to foreign competition. "I think the evidence is increasingly clear on the threat to the system from emerging behemoths in the United States," Barrett said last week. "You see it almost every day in the newspapers—some major U.S. bank looking north."

Canada's banks fear they will fall even farther if the Geneva-based World Trade Organization reaches an expected deal to free up trade in financial services. During the negotiations, Ottawa promised to encourage wider competition by allowing foreign banks to open branches without setting up separate Canadian subsidiaries. The federal government also agreed to remove a requirement that the 43 foreign banks that already have Canadian subsidiaries seek federal permission before opening new branches.

By raising the red flag of foreign domination, the industry hopes to convince Ottawa of the need for a transition period during which Canadian banks could merge before being left full force of international competition. "Simply removing all the rules on financial services would be naive," CIBC chairman Al Flood wrote in a recent submission to the Mackay task force. "It would quickly lead to major global players buying up all of Canada's financial institutions, threatening thousands of jobs, billions in tax revenues, and turning our industry into a branch plant system."

Previously, industry officials say that both Finance Minister Paul Martin and Prime Minister Jean Charest—a former member of TD Bank's board of directors—share their position on the need for domestic bank mergers.

Political considerations, however, make it highly unlikely that Ottawa would sanction a marriage involving either of the country's two major financial institutions—the Royal, with \$85.1 billion in assets, or the CIBC, with \$20.6 billion. The reason is that mergers such as these would typically spell the elimination of thousands of jobs. A \$17-billion deal announced last month between First Union Corp. of Charlotte, N.C., and Corestates Financial Corp. of Philadelphia is expected to trigger at least 3,000 layoffs. Fearing the creation of an uneasy playing field, Ottawa may be reluctant to allow the two biggest banks to expand at all.

A more likely scenario, more experts say, would involve a merger between TD Bank and Scotiabank. Scotia is one of Canada's most international banks, while Toronto Dominion's presence abroad is relatively minor. As well, TD Bank's branch network is concentrated in Ontario, while Scotiabank is prominent in Atlantic Canada. The two banks are also roughly equal in size, a factor that might smooth negotiations since neither party would feel at risk of being swallowed up. The net value of Scotiabank's assets is \$15.2 billion, compared with TD Bank's \$15.3 billion. Combined, they would

form the country's largest bank, with \$558 billion in assets. Even so, the consequences would be painful for many workers. "Mergers will result in job losses, because that is the whole idea of cutting your costs," Robert Chisholm, Scotiabank's vice-chairman, told *Maclean's* last week. "But if you really want a strong financial foundation based in this country, ultimately mergers will have to be allowed."

The biggest loser in any consolidation would likely be the Montreal-based National Bank of Canada, the country's sixth-largest bank with \$6.1 billion in assets. National's problem is that most of its business—only roughly 200 of its 600 branches—are in Quebec. "That could come with a price," says one banking analyst, referring to the chance of political uncertainty that surrounded the province. With another referendum on sovereignty possible by the year 2000, the bigger banks may be unwilling to invest so heavily in Quebec. A similar referendum had surrounded efforts by Montreal-based Desjardins Insurance Financial Corp. earlier this year to add an \$7.5-billion stake in Laurentian Bank of Canada. In October, after an unsuccessful five-month search for a buyer, Desjardins sold its interest in the country's seventh-largest bank at a loss to a syndicate of underwriters. (Perhaps because it fears being left alone in the north, National is the only major bank that is not maintaining the required minimum stake.)

Outside the industry, the view appears widely shared. "The banks have always been a target of public and political criticism," notes Susan Cohen, an analyst with Descom Capital Corp. in Montreal. Some of the criticism comes from the government's own benches. Last spring, Manitoba Liberal MP David Hogg introduced a private member's bill that would succeed the Bank Act to explicitly prevent hostile takeovers among banks. In response, he argues, would reduce competition and hurt consumers. Still, "most bankers are aware that they have enough trouble already getting adequate terms from their bankers." For the moment, at least, Canadian consumers seem less afraid of foreign banks than they are of domestic ones. Until that changes, Barrett and his colleagues may have a hard time convincing their customers of the need for even lower bank fees.

WILLIAM KENNEDY in Toronto

Keywords: Total Potential, Empathy, self-esteem

## PULP MILL RAILOUT

The B.C. government boosted its stake in Skeena Cellulose Inc., a Prince Rupert pulp mill that is struggling to avoid bankruptcy. The province paid \$21 million for the Royal Bank's 50-per-cent interest in the firm, bringing its total investment in the mill to \$240 million.

## BRE-X LAWSUITS

A lawyer in Windsor, Ont., filed class action lawsuits against five brokerage firms over the collapse of Bre-X Minerals Ltd. Lawyer Harvey Strimling said he has been contacted by more than 400 investors who lost money in Bre-X. The suits allege that the brokerage firms gave misleading advice.

## CROSSED SIGNALS

Two courts issued contradictory rulings on the legality of U.S. satellite dishes. In a victory for Canada's satellite industry, the Federal Court of Appeal upheld a ruling declaring the U.S. dishes illegal. The Supreme Court of Nova Scotia, however, ruled the dishes legal, adding that efforts to stop Canadians from owning them are "incompatible with freedom of speech."

## OILSANDS BONANZA

Synovate Canada unveiled plans for a \$5-billion expansion of its oil sands upgrader in northern Alberta. If approved, the project will take 18 years and create 1,800 construction jobs. Days after that announcement, Gulf Canada Resources Ltd. said it will spend \$1.1 billion in a nearby heavy oil project.

## RRSP LIMIT CRITICIZED

The House of Commons finance committee gave the thumbs down to a proposal to raise the 20-per-cent limit on RRSP investments outside Canada. Finance Minister Paul Martin has long opposed such a move, saying that investors who benefit from RRSP tax breaks should not complain about having to keep their money in Canada.

## ETHANOL FUEL BOOST

Environmentalists pressed a planned reinvestment in ethanol research by Petro-Canada. The company is teaming up with Inogen Corp., an Ottawa firm that makes enzymes that chew up wood and farm waste to make ethanol. Currently, corn crops can burn a mix of 30-per-cent gasoline and 10-per-cent alcohol. But Chrysler intends to launch a minivan that can burn a fifty-fifty mix.

## The shine is off Barrick's gold

Take pity on Peter Murk. No, the Toronto-based tycoon doesn't have to worry about his own luck—but his corporate engines have drunk considerably this year. Like several other big mining outfits, Murk's Barrick Gold Corp. has been hurt by the dramatic drop in the price of bullion. A year ago, Barrick was valued on the stock market at \$15.4 billion. It is now worth \$8.6 billion, with further losses inevitable if gold prices continue to fall.



Murk: A dramatic drop in bullion prices

Last week, the precious metal hit a 52-year low at \$295 (U.S.) an ounce, down 50% by the ongoing turmoil in Asian financial markets, low inflation and reports that a growing number of central banks around the world are

preparing to reduce their gold reserves. In the first half of 1997, central banks sold 230 tonnes of gold, compared with 72 tonnes in the same period in 1996.

The slide has created serious problems for Canada's gold-mining industry. Barrick has shed half of its 10 mines this year, while Royal Oak Mines Inc. of Toronto has closed mines in Hope, B.C., Nfld., and Colorado, N.W.T. Many junior mining firms will have to cease exploration if the price stays low. "It's going to happen," says Bob Buchan, chief executive of Kioros Gold Corp. of Toronto. "They're burning through their money, and you can't keep going when the stock market won't give you any more."

mineral damage but forced the evacuation of hundreds of employees from a research centre in suburban Laval and a diagnostic unit in Montreal's north end. However, a Quebec City newspaper said it had received a phone call from a man claiming that the bombs were placed by a radical U.S. civil rights group. A spokesman for the group denied any knowledge of the incident. BioCrest was ordered to stop its laboratory testing, but police refused to say whether they were taking the call seriously.

## Montreal bomb scare

The bombing of two BioCrest Pharmatex offices in Montreal prompted several other pharmaceutical firms in the city to tighten security. BioCrest placed worldwide attention in 1994 as the developer of the AIDS drug 3TC, or Zalcitabine, which is used in combination with other drugs as a treatment for HIV infection.

By week's end, the city had claimed responsibility for the four explosions, which caused

## FINANCIAL OUTLOOK

Although short-term interest rates are heading up, the overall outlook for Canada's economy remains bright. Retail sales in September were 8.5 per cent higher than in the same month a year earlier, largely because of increased motor vehicle sales.

And most analysts expect this pace of job creation to accelerate in coming months and rising business investment and continued strong consumer confidence.

On the downside, Industry Canada reports that 7,914 manufacturing and 940 typ-

revised strong employment gains and modest wage increases."

—TD Bank

"Amidst all the global uncertainty, one fact has quietly built firm: The U.S. domestic economy keeps rolling along."

—Canada Trust

"Canada's external trade situation was deteriorating even prior to the onset of Asian flu. Due to booming imports, the trade surplus on goods has collapsed by 50 per cent this year, to \$20 billion."

—Nesbitt Burns

## BANKRUPTCIES

Consumer and business failures

Jan.-Sept. '96 69,358

Jan.-Sept. '97 75,478

Source: Statistics Canada

GRAND MARNIER OVER ICE. IT'S NOT WHAT SHE EXPECTED.

Grand Marnier  
IT CHANGES EVERYTHING.





## Peter C. Newman

### The Mr. Fix-It of the corporate world

If the Canadian business community has an operational guru—a Marshall McLuhan of the bottom line—he is Tom Kierans, president of the Toronto-based C. D. Howe Institute, which during his capstone stewardship, has become the country's most authoritative policy research source.

Likar has rule-model deftly. Eric, the sometime Quebec and federal cabinet minister who had too many fresh ideas to feel comfortable within any political context, the younger Kierans has drifted between the private and public sectors, leaving a comfortable mark as both. Kierans, now 57, is currently in the spotlight as the man designated to salvage the floundering business giant Manulife Corp. by finding a permanent CEO to take on the job he acquired temporarily when the board, of which he is the chairman, fired incumbent CEO, Ross Brown, in October.

After graduating from McGill University in 1960 and earning his MBA at the University of Chicago, Kierans worked at three large Toronto brokerage houses, then briefly became president of McLeod Young Wines for a turbulent decade. He married his wife to the Bank of Nova Scotia in 1967, which left him a wealthy man. There has always worked what he describes as "your basic 70-hour week," but has found time to lend his aid to cause public and private contributions and contribute to numerous articles to academic journals. He now serves as chairman of PetroCanada, First Marathan Securities Ltd., and until two years ago, Iplex Inc. His Moore Corp. tenure is the fourth time he has been brought in to reorganize a major firm headed for the rocks. He is also a director of nine companies, ranging from Maclean's Publishing to Polytechnic Product Inc.

It was his reputation for knowing exactly what's what and who's who on the Canadian business scene that led him to be chosen years ago as one of the contacts for the Bess brothers, these legendary Texas billionaires now busy building Canada's corporate family tree—including Moore Corp. "Back in 1960, when Ted Bessman was still head of the Scotiabank, he suggested I hire Tom Taylor, the Bess brothers' investment partner in Aerovias last or last week. Because he was thinking of taking the Bess operation into Canada, Taylor is wealthy himself—and I don't mean just rich—and events align with the Besses.

"They identify companies where they see stock market value being depressed by poor corporate governance, and buy a five- to 10-per-cent holding, sometimes buying themselves in with personal funds which buy an equal amount of stock. They together, but led by Taylor, they seek to work with the board to improve corporate governance and to usually grant a seat on the board to help imple-

ment his strategy. He is not a hostile takeover artist, but management's departure sometimes follows."

In Canada, the Bess group has taken on such basket cases as MacMillan Bloedel, the giant West Coast forest company, Enco Energy, an Alberta oil producer, as well as Moore. The family fortune, estimated at more than \$10 billion, comes from Sir Richard Ross, the legendary Texas oilman who died in 1951. His estate is now spread among his nephew, Perry Bass, and Ross's four rock-star sons: Robert, Lee, Sel and Edward, who all live in Port Worth, where they are building luxurious residential communities and estate resorts. Their wealth has grown exponentially—their \$400-million investment in the Walt Disney Co. now brings worth to about \$3.3 billion. (Sel's wife, Anna, received 1.38 million Disney shares as part of a divorce settlement worth more than \$25 million.) The brothers also built the \$300-million Roseberry 2, the famed but infamous self-contained ecosystem in Arizona. Their Canadian investments include North American Trust Co.'s Canadian real estate portfolio, purchased for \$1.6 billion in 1985.

One reason Kierans has been able to gain the trust of the good of Bess boys as well as place himself in the epicentre of Canadian business, is that his name, as whatever subject, are always worth hearing. A few examples:

"Everybody in Montreal understands the extent to which power has shifted to Toronto, because that's a straight no-brainer. Tom Ontario understands that. But neither Ottawa nor Montreal understands the extent to which power has shifted from Toronto to the West. The federalists are supposed to be terrible, yet we've got this old Macleod Ontario who still peacefully controlling the country. Whether it's Liberal, Conservative, doesn't matter, and it's the Liberal, Conservative, doesn't matter, and it's the right for people to become alienated from that axis where so much reality has changed."

"I give lots of speeches to lots of kids, and I tell them, if you opt out of politics, the grey hours are going to run over your life and you're going to get screwed, so make sure you grab a stake in the system."

"The mythology of my society is crucially important. The people who objected to the RCMP wearing turbans instead of the hats they've worn since 1950 were called racist. They're not. Those Mountain Indians are an inherent part of the Canadian mythology which keeps the nation together."

"While we're working out our national unity dream, we should have to be very sophisticated externally and tell the world to take it easy, that this is a highly credentialed nation going through one of its internal periods of angst. We're the only people in the world who feel we can peddle every six months to dig up our roots and look at them, just to make sure we're still there."

"That's the sort of unvarnished gospel that will come in handy in reuniting Moore."

## People

Edited by JARNAHA WICKENS



Lelley Don in action, back-to-back start, while for a Simple Skate.

## Racing to Nagano

more than left a second—an eternity by skating's standards—ahead of the next-best finish, a 38.57 clocked by Sabine Vallet of Germany. "The rest of the world is playing catch-up with Canada," Wicks said, "especially in the 100." It was the first time ever that a woman had beaten 38 seconds in the event, and it stunned the skater herself. "I am still in shock," Lelley Don said.

She is hardly an overnight sensation. Lelley Don has won World Cup medals in each of the past five seasons and finished second in the 500 at the 1997 world championships in Hamar, Norway. The credits the improved speed to better training and the new clip skates that most skaters have switched to this season—they have tapered blades and are more efficient than the traditional fixed-blade skates. Just as important is the support and confidence of an increasingly powerful Canadian team. Among the members of the 1998 Olympic winter medalist Susan Auch of Winnipeg, four-time World Cup winner Neal Marshall of Coquitlam, B.C., and Jeremy Wickspeiser of Red Deer, Alta., who won two 500-m gold medals last month in Calgary. "People are always saying we'll never miss the millions that some athletes make," Lelley Don says. "But it's something we have to do, and it's a choice we all make." Lelley Don expects to have made the right choice.

## Classic doo-wop

Even in a significant number for *The Nylons*, it represents both the number of albums the Toronto-based quartet has released and the number of members who have passed through its ranks during its 16-year history. The latest version of this capella group features Arnold Robinson, Geri Monaghan, Mark Cassius and co-leader Claude Morrison. On their busiest new al-

bum, *Fabrizio*, they sing such well-known songs as "I've Got a Feeling" and a rhythm and blues-style rendition of "The Beatles' Let It Be." According to Morrison, the group's classic doo-wop style and intimate harmonies transcended the revolving-door nature of the act. "We've always had the philosophy that the group is bigger than any one individual," he says. "Lots of people can sing the back out of a lead vocal, but we look for singers who can blend right into the group."

## An anchor away

Canadian TV journalist Kevin Newman is exactly where he wants to be. After sitting in for the past six months as news anchor for ABC News, Newman got his big news last week: the show at ABC officially appointed him news anchor of *Good Morning America*. Joining the Toronto-born broadcaster and veteran CBC veteran "The contract lists all they get out of me, or until I screw it," Newman, 38, who is married and has two children, a 13, and a girl, 8, joined New York City-based ABC News as a correspondent and



Newman, co-anchor of 10/11p.

co-anchor in 1994. Three years later, Newman, who is also a veteran of some years with Global and two with CTV, will get behind news anchor's desk. Last week, for instance, the show's producers contacted him for saying that travellers were "being up" as airports, instead of employing the U.S. usage "to be late." Notes Newman: "In the States, only criminals get in lineups." When he learns the nomenclature, Newman may be ready to take on the mantle of Canada's number 1 news co-anchor, Peter Jennings, who has held ABC's pilot as anchoring spot on World News Tonight since 1983.

# The games techies play

This year's crop of electronic games includes something for every taste

In 1972, a California computer programmer named Alan Alcorn created the world's first mass-market video game, a simple dexterity game in which players battled an electronic ball back and forth across a black screen. A quarter-century later, the electronic game market is a \$2.5-billion global industry, with a wide assortment of formats, sophisticated 3-D graphics and ever-increasing standards of realism. There are games to suit every taste—or fast learner! Maclean's reviews some of the best computer and console games of the holiday season.



Scene from *Riven*, the long-awaited sequel to *Myst* is slicker and prettier than its predecessor

## RIVEN

367, PC & Mac CD-ROM

Any of the more than 3.5 million people who maddened through *Myst*—the most popular computer game of all time—will find *Riven* to be a familiarly befuddling experience. The long-awaited sequel to the addictive puzzle, *Riven* once again thrusts players into an artificial world where the mystery lies not so much in figuring out how to do things, as in finding out what's supposed to be done. The gameplay is almost identical to *Myst*, using a mouse to point and click their way around; players must solve complex puzzles to learn the secrets of the tapestry, but (ahem) logically, landscape of *Riven*. The sequel is slicker and prettier than its predecessor, with stunning graphics and a thoroughly cool, evocative sound track. In short, *Riven* offers *Myst* fans more of the same, only better.

REVIEWS BY JOE CHADLEY  
(JAMES ISAACSON, PAUL DARENGER  
AND ARUL LUNA)

## GOLDENEYE 007

Slick and richly detailed, *GoldenEye 007* captures the suspense and intrigue of a James Bond thriller. Players become secret agents with a dangerous mission and, emulating the suave British hero, "a license to kill." Armed with a golden gun—size of many weapons in the spy's repertoire—players dodge bullets and stalk enemies through a maze of corridors, tunnels and underground parking garages. The graphics are stunningly real, right down to the lifelike figures that writhe and fall to their death as a blur of gunfire. And *Mr. Bond*, players can call on a dazzling array of gadgetry. Depending upon doors, a bomb defuser cuts through detonator wires and a covert mission downloads classified information. Secret agents can also launch grenades and rockets, throw knives or aim a sniper rifle equipped with a special poison lens. Warning: *GoldenEye* is highly entertaining and can easily become addictive.

## CART WORLD SERIES

360, Sony PlayStation

To paraphrase the old British song, auto-racing simulations are getting better all the time. This entry is up against some tough competition, including Formula One Championship Edition, the much anticipated sequel to the most popular video racing game ever: *360*, from the North American IndyCar racing series.

Sony's new release, based on the CART (Championship Auto Racing Teams) series, Speed demons can choose to race as one of 25 real drivers from 16 CART teams, or 10 trucks modified to scale from the actual blueprint (from top of the oval track, but not Toronto). There don't any real cars on some of the oval tracks, but the collisions are realistic and the game's designers have done a great job of simulating the behavior and feel of a 500-horsepower race car at speeds up to 200 km/h.

## TYRANIC: ADVENTURE OUT OF TIME

365, PC and Mac CD-ROM

Released late last year, this two CD game is sure to enjoy renewed interest with the release of director James Cameron's Hollywood blockbuster (page 86). Players find themselves aboard the last ship, the New York City 1912. In part, the purpose is educational: users can tour the boat, chat with any of 25 interactive passengers and crew and with the help of spectacular graphics, view battles.



Later Clark discovers that his ill-fated 1912 motorcar makes a terrible place, but an excellent conversation piece.

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## TECHNOLOGY

reproductions of its stations, lounges, decks and dining rooms. Start the game, however, and the player becomes a British agent charged with recovering a book stolen by German spies. The intrigue gets more serious following the Titanic's collision with an iceberg. The intrepid agent has a chance to change the course of history, but it is a race against the clock—the mystery must be solved before the ship sinks. With a playing time of 3 1/2 hours, this is a fascinating and challenging game that should delight history and mystery buffs.

**NHL FACEOFF '98**

\$83, Sony PlayStation

Ready one of the best hockey simulations on the market, NHL Faceoff '98 represents a major leap forward from the 1997 edition, with a wide range of game modes and features. Players can choose from among three difficulty levels—rookie, veteran, and all-star—and five competitive leagues, ranging from high school to the NHL. During a game, the fans either cheer or boo depending on whether the team you have chosen is at home risk or on the road. Another nice touch is the goalfender's water bottle, which goes flying off the top of the net when an opposing player takes a hard shot. Hockey fans will feel right at home with all the lights that break out in the middle of the action.

**NFL QUARTERBACK CLUB '98**

\$90, Nintendo 64

NFL Quarterback Club '98 is so authentic, it's almost like watching a televised football game. All of the league's 30 teams, 1,500 players and 26 stadiums are rendered in incredible detail. So are the sound effects, including the roar of the crowd, onfield shouts and a play-by-play commentary. Using separate controllers, plugged into the console, as many as four people can control details of the play from both sides and throw to various players. NFL Quarterback Club '98 also works with Nintendo's Rumble Pak, an accessory that vibrates the controller to help players experience the impact of a tackle. Of course, football in the 1990s is as much a business as a sport—and the game's creators have taken that into account, too. On the field, players can test their front-office skills by drafting and trading team members and negotiating salaries. The only downside is that all that realism adds to the complexity of the game. Even experienced Nintendo fans may find it difficult to keep track of all the possible options.

**STAR TREK: STARFLEET ACADEMY**

\$85, PC CD-ROM

OK, so it doesn't quite live up to the hype that its publisher's publicity, based upon computer gamers far more than a year before its September release. But for all of the game's facilities—its lackluster use of the features promised in its press release, and hard-core flight simulation gamers will find it too simplistic—Starfleet Academy is still one heck of an entertaining title. Players assume the role of David Forester, who is training to take on the toughest job in the universe: captain of a Federation starship. To that,

he must not only command his ship through simulated training exercises against Klingons, Romulans and other alien life-forms, but also guide and encourage his alien-trainee-ship crew. In that respect, the game combines the excitement of a shoot-'em-up with editing (human interest elements)—on all, a rich, absorbing recording experience. With possible full-motion video sequences, laugh but her battle scenarios and appearances from original Star Trek cast members, Starfleet Academy is worth a look. And for fans of the series and its spinoffs, it's a must-have.

**SHINING THE HOLY ARK**

\$50, Sega Saturn

Sega's 32-bit Saturn console has been struggling recently against other stand-alone video game platforms, but there is still no shortage of new titles. Shining the Holy Ark, the latest in a series of Shining installments, is among the best of them. Players adopt the persona of a medieval adventurer named Arthur, who embarks on a quest for sacred artifacts while attempting to save the kingdom from mysterious evil spirits. The story line is not terribly original, but the light sequences are fast-paced with plenty of impressive special effects.

**DIDDY KONG RACING**

\$70, Nintendo 64

Diddy Kong Racing offers double the fun: a solo adventure and a challenge-giant race in one light and colorful game. Single players travel by go-cart, plane and hovercraft through a heavily detailed and intricate landscape with Diddy Kong, a mischievous chimpanzee, and his cartoon friends—Tigger the tiger, Popey the monkey, Rango the bear, Conker the squirrel and Bumper the bulldog. Players face over 100 unique challenges as they race through 30 different levels, gathering golden balloons that will help them win.

**FINAL FANTASY VII**

\$85, Sony PlayStation

Considered by many to be the best role-playing game ever, Final Fantasy VII has broken all sales records for its distributor, Sony Computer Entertainment Inc. In Japan, 2.5 million copies were shipped upon the game's first three days of release last year in Canada, where it was on sale this fall, more than 150,000 copies have been purchased. The premise is not exactly original: players must save the world from a cruel terrorist who is plotting to blow it to smithereens. But the mix of adventure, combat and Japanese-style animation in engaging, and the three-disc package contains more than 50 hours of gameplay. □





Rick and Donald Wildboer parents

## A passionate debate

Over the past 17 years, Harry Wildboer, a cattle-head farmer in Lacombe, Alta., has spent \$64,000 on private-school tuition for his daughter and three sons. Devout Christians, Wildboer and his wife, Dorothy, have never felt comfortable putting their children in public schools. So this fall, when a government task force stepped in a nearby third Dec. to seek input on a proposal to increase public funding for private schools, Wildboer made sure he was on the speakers list. "This way this whole debate has been framed around me," says Wildboer, who has two children now at the wilderness and two, Rick and Donald, attending Central Alberta Christian High School in Lacombe. "The term 'private' brings up this idea of an elite," he says. "And we are as far from being rich and famous as you could be." What angers Wildboer even more is the hypocrisy of a government that funds private schools at half the rate of public ones. "When it's hot times, we're full of compassion," says Wildboer. "But when it comes time to distribute the funds, suddenly we're private individuals whose kids deserve only half that money back."

If Wildboer sees fundamental principles of justice at stake, so do his adversaries. Only Quebec funds private schools more generously than Alberta, while the majority of provinces give private institutions no public money at all. Currently, Alberta provides

each school with roughly \$1,800 in instructional grants per student, compared with just under \$2,700 allocated for each child in the public system. The task force was struck this past summer after MLA Carol Hiley introduced a private member's bill to increase per pupil instructional funding over a three-to-75 per cent of the public rate. Such a notion is especially galling, say critics, at a time when Alberta's public schools are emerging from four years of government cuts totalling 25.5 per cent of their budgets. "First, the government undermines the public system," says Alberta Teachers' Association president Basil Mackay. "Then they turn around and propose giving more money to private schools. That just isn't right."

But Wildboer and others say increasing funding to private schools need not mean giving less money to public ones. "This should not be seen as an either/or proposition," says Jack Vanden Pol, principal of Central Alberta Christian High. "It should be seen as an opportunity for this government to fulfill its duty to every child in Alberta." After all, he notes, private schools are fully accountable to the public; all are required to produce annual business plans, their students must meet standardized provincial exams before graduating. "We produce edu-

cated young people just like the public schools do," says Vanden Pol. "If the support is the same, why isn't the impact?"

And Vanden Pol says he is frustrated by those who portray private schools as the exclusive domain of the wealthy. In Alberta, he points out, the vast majority of such institutions have a religious focus, and most of these draw children from a broad range of socioeconomic backgrounds. While enrollment at such elite secular schools as Stretcheson-Tweedsmuir, 15 km south of Calgary, can approach \$9,000, Vanden Pol charges \$4,250 for the first child in a family, and only \$550 for each sibling. That money is used both to top up instructional funding, as well as for conservation and administration, which the government does not fund for private schools at all.

Still, others say the very fact that private schools have a specific mandate is reason enough to deny them money. "It is only public schools who must, by law, take any child that applies," says Mackay. "Private schools exclude whoever they don't think will fit into their mix." She also notes that Alberta, more than any other province, has already given parents a range of educational choices within the public system. Over the past two years, 11 so-called charter schools have opened, run by like-minded groups of parents and teachers, and offering unique programs for everything from street kids to gifted children. Last year, the Edmonton board opened Logos School. An alternative program within the public system, it incorporates Christian teachings into its curriculum.

Mackay and others also point out that Alberta has led the country in giving parents the opportunity to reshape public education through school councils. "The money being proposed for private schools would be better spent funding those councils," says Edmonton parent Lynn Olynski. A member of the Parents as Partners Committee, Olynski appeared before the panel to argue for greater funding for research into how parents and teachers can work more effectively together. "Rather than giving money to make it easier for people to leave public schools," says Olynski, "why not support ways to improve a system that serves all children?"

By late December, task force chairman Ron Simons, MLA for Calgary Glenora, says his committee will release its final report. And principal Vanden Pol, for one, says he is happy the debate has taken place, whatever the outcome. "I think both sides have been able to see this public airing to put some myths to rest," says Vanden Pol. "But more than anything, it has been gratifying to see how much parents people have for education—both private and public." For students in Alberta, that can only be a good thing.

KEVIN DAVIES

# Financial Planning Guide



Dealing with a specialist

How planners are paid

Meeting with a planner

Crash proof your savings

# Heard the latest from The Wealthy Barber?

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David Chilton, author of *The Wealthy Barber*

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## FINANCIAL PLANNING involves much more than simply setting aside some

funds each year towards retirement or children's education. It involves the development of realistic financial goals and the setting of priorities, it provides the strategy to reach those objectives, the implementation of the plan, and the ongoing monitoring of its progress. The process involves a complete analysis of your personal financial data and an assessment of your current situation, your understanding of and willingness to take risk. It involves the preparation of a budget to help you understand your spending habits and to make sure there

are funds available for investment. It considers your insurance needs. It helps you find appropriate investment strategies to accumulate wealth to meet your goals. It also looks at ways of minimizing taxes and the most effective ways of transferring wealth from one generation to another.

"What worked a decade ago may not work today," says Don Johnston, President of the Financial Planners Standards Council of Canada. The FPSOC's members include most of the major industry groups involved in personal financial planning: covering investment dealers, the accounting profession, the mutual fund industry, the chartered banks and the insurance industry.

Johnston's organization sets the standards for financial planning in Canada with the exception of Quebec where the term "financial planning" is regulated by law and financial planners must be members of the Institut québécois de planification financière.

The FPSOC confers the Certified Financial Planner designation on individuals who meet its educational and experience requirements, who successfully complete a professional proficiency examination and who subscribe to the organization's code of ethics and "meet our continuing education requirements," adds Johnston.

"Consumers have never before had as many investment alternatives from which to choose," Johnston says.

"Added to this is a bewildering array of tax and

other legislation which people must consider in attaining virtually all of their financial goals. In this environment, more and more Canadians are turning to professional financial advisers for peace of mind to help them make the right choices."

Johnston points out that there are literally tens of thousands of individuals across Canada providing financial advice but some have neither education nor experience.

Financial planners who have the CFP designation are required to have fairly detailed knowledge of a broad variety of topics that are pertinent to personal financial planning including life insurance, estate planning, retirement planning and taxation.

His recommendation for an adviser, of course, is someone with a CFP designation or working towards it.

In fact, several thousand financial planners were granted CFP designations based on their experience and education when the FPSOC was formed. Hundreds of others are scheduled to write the proficiency examination while several thousand are currently registered in courses which meet the edu-

Continued on page 38

Cover photo: Johnstone & Associates

national requirements of the FPSC.

Quebec's requirements for a financial planning diploma are based on education and training. Members of certain professions such as law and accounting with five years experience linked to financial planning can obtain the title of financial planner without passing the 30PF examination. Alternatively, the 30PF sponsors a 450-hour training program in financial planning. In addition the 30PF recognizes Laval University's program leading to a certificate in personal financial planning.

In the rest of the country the two key players offering courses are the Canadian Institute of Financial Planning and the Canadian Securities Institute. The accounting, insurance, and banking industries also provide relevant courses and training.

On the West Coast the premier supplier of financial planning courses is the British Columbia Institute of Technology.

Earlier this year, Wilfrid Laurier University's School of Business and Economics announced a Diploma in Financial Planning. It appears to be

## Getting prepared for a financial plan

The first step in financial planning is to take a snapshot of where you are today. Simply list every major asset you own and your liabilities. Include your home, your bank accounts, the current value of any pensions, your RRSPs, Canada Savings Bonds, cash value of life insurance policies, your savings accounts and any investments you might hold, including any business interests and shares in private companies. Against these list your liabilities, including mortgages, credit card debts, car loans and business or investment debts. Next list all your sources of income and where you spend your money each month.

A financial planner will look at these and then determine how you can improve your balance sheet and boost your cash flow. Of course, there are some activities you can easily take care of yourself. For example, if you are sitting with a substantial amount of cash in your savings accounts and have credit card balances outstanding at the end of the month, use the cash (making sure you leave yourself an emergency reserve) to pay off that credit card debt. Many credit card issuers charge interest at a rate of 18 per cent or more. No investment can consistently provide that rate of return after tax. The best investment you can make is paying down your credit cards and any other high interest consumer debt you may have.

You might also examine your mortgage to determine if you can save money by renegotiating the rate or prepaying a portion of the principal. Most mortgage agreements allow for renegotiations of interest rates and even if you have to pay a penalty you may have significant savings.

A planner will also want to review your tax returns for the past several years to make sure you are taking all deductions and claiming all credits to which you are entitled. He or she will examine your investments to determine if in fact they suit your current needs and if they make sense from an income tax point of view. Similarly, he or she will calculate your current insurance needs and review the policies you have, making appropriate recommendations about your life, disability, house, business and auto insurance needs.

You will also provide a copy of your will and power of attorney. If neither is current your planner will almost certainly recommend you see your lawyer for new ones. Your planner will also review your will to determine whether your objectives are reflected in a tax efficient manner. For example, it is quite common for a grandparent to want to leave something in a will for a grandchild's future education. This can be done several ways. Your planner will show you the one that is most tax effective and work with your lawyer towards including it in your will.



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## How planners are paid

Some financial planners charge a fee for their services and do not sell any investments or financial products. Others get paid a commission on the financial products they use to implement your plan. A third group, such as bank employees, are paid salaries.

Which is best is really dependent on your needs. For instance, if you require complicated tax advice you will almost certainly deal with a tax specialist who will likely charge you an hourly rate. Alternatively, you might choose a fee-for-service financial planner if you want a comprehensive plan with absolutely no pressure to buy a specific financial product.

The vast majority of people tend to deal with someone who earns his or her living on commission. While a planner with a CFP designation will make recommendations that reflect your needs rather than a commission schedule, you must realize that not all financial planners have CFP designations.

Any financial planner or adviser who sells stocks, bonds or mutual funds must be licensed by a provincial securities regulator. Similarly, insurance agents and brokers must be licensed. In contrast, outside Quebec, there is no licensing or registration of fee-for-service financial planners. Those that are accountants or lawyers should be members in good standing of their professional organizations. Others are likely members of the Canadian Association of Financial Planners which sets minimum standards for its members and requires them to subscribe to a comprehensive code of ethics.

Before dealing with anyone, you should determine their professional qualifications and registration, if applicable.

If you opt for a complete financial plan you will likely deal with a fee-for-service financial planner or someone who will waive the fee if you decide to implement the plan through the planner's corporation so that he or she earns a commission.

Determine in advance the scope of the plan (some investment dealers discourage their representatives from giving advice on income tax matters and estate planning.) Planners who hold CFP designations or who are members of the Canadian Association of Financial Planners will generally provide you with a written contract and, of course, a written financial plan.



## Deal with a specialist

You may decide you do not want a complete financial plan but require advice in a specific area, such as investment, insurance or taxation. If that is the case, make sure you choose someone who is knowledgeable and well-versed, first, into the investment or insurance business; it relatively easy and tedious, passing basic courses. For more

advanced training look for designations such as CII or Chartered Financial Consultant from insurance specialists or CFP and RFP from stockbrokers. If you deal with a mutual fund salesperson determine whether he or she has completed or is enrolled in courses sponsored by the CFP. You should also determine the qualifications, if a tax specialist, determine you will want someone with an accounting designation who specializes in tax. If your situation is extremely complicated you could find yourself having to deal with a team of accountants and tax lawyers. This could be the case if you have incident assets in several countries and want to make sure that the company passes intact to the next generation.

For more information:

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## Meeting a planner

From an adviser's perspective, the first appointment with you provides him or her the opportunity to explain how he or she conducts business and to obtain the information needed to construct your plan. It is also the first opportunity you have to ask the adviser all sorts of questions about the practice and the type of advice you can expect.

First you want to determine whether you will be an important client. Ask the adviser how big is his or her client base in terms of number of family units and the size of assets the average client has. This will give you an indication of the value of your business to the adviser and consequently how much time can be realistically devoted to you. In most cases the more clients a planner has, the less "personal" attention you will receive.

If you plan to buy mutual funds ask to see written recommendations.

Here the firm which detail the reasons for choosing a specific fund.

Ask the adviser if you will be dealing directly with the adviser or generally through an assistant. If you will be dealing with the assistant, determine his or her qualifications and arrange for a meeting.

Ask a lot of questions. For example, what types of products can the planner sell, with whom is the organization registered, if at all, and is it a member of an investor protection fund if it sells investments?

Registration is important because it tells you what types of products a company can sell. Avoid dealing with organizations that have no registration or industry organization affiliation yet propose strategies involving specific investments.

If you are buying stocks and bonds it is crucial that you deal with a member of the Canadian Investor Protection Fund or through a chartered bank.

If you are buying mutual funds through a dealer who is not a member of the CIPF, make your cheques payable to the mutual fund company just to be safe. Never make the cheque payable to the individual sales representative.

You also want to determine the organization's range of services and products. Is it a financial planning firm? Is it a securities dealer? Is it a mutual

fund dealer? Is it an insurance agency or broker? Does it offer house products only? Or does it offer the products of several organizations?

Some companies have very tight controls over what their representatives recommend. Others take a fairly loose approach. You should deter-

## Creditor proof your savings

Several insurance companies are planning to launch new segregated funds which are the insurance industry's equivalent to mutual funds. The major differences are that the insurance funds have guarantees against loss provided the funds are held for a minimum of 10 years. In most cases, your beneficiaries are also generally guaranteed your capital should you die while you held the investment. The key reason for the popularity of these funds is that being insurance contracts they offer some protection against creditors should the holder run into financial difficulties. This makes them especially appealing to self-employed individuals who guarantee the debts of their companies and professionals such as lawyers and accountants who face unlimited liability in their practices.

mine if the organization is responsible for the recommendations brought to clients and if so, what are the qualifications of the people who make the recommendations?

If you do not want to buy investments based solely on a planner's interpretation of marketing material or an article in that morning's paper, most major investment dealers have analysts who provide recommendations on specific investments.

If you plan to buy mutual funds, ask to see written recommendations from the firm which detail the reasons for choosing a specific fund. If the individual salesperson chooses funds, ask to see how he or she arrived at the analysis and its conclusion.

If you are dealing with an insurance agent ask whether he or she is tied to one company? Ask for written proposals and whether the agent's proposals will include comparisons of other companies' products. Similarly, ask your insurance broker how many companies he or she deals with primarily and whether he or she searches the industry for best





## Plans change

You should review your financial plan on an ongoing basis, making these adjustments which reflect changes in your life. Younger couples with hefty mortgages and more concerns about children's education than retirement would have plans that might emphasize debt reduction and registered education savings plans. In 10 years that couple could be looking at accumulating assets for retirement, building wealth in general, and changing their insurance needs from the least expensive coverage available to permanent insurance which might eventually be used to pay tax liabilities on their estates.

Estate planning is an essential part of every person's financial plan. But as the family grows and assets are accumulated, your estate planning can become more complicated given the tax system and the hefty costs of probate in some provinces. As a result, it is essential that financial plans be reviewed periodically.

Sometimes new legislation triggers the requirement for a review. A case in point is the change in maturity age of RRSPs from a maximum of age 71 to age 69. Virtually every person who expected to keep their funds sheltered to age 71 has had to adjust their income projections and possibly their expectations.

Sometimes only a segment of your plan warrants change. For instance, changes in investment markets may trigger the need to review your investment strategies, especially in your retirement savings. Given the recent volatility of the stock markets some investors may want to adopt a more conservative stance. Conversely, others might see the volatility as an opportunity to become more aggressive.

price and analyses the quality of the company. When dealing with insurance always keep copies of any applications you fill out, in particular the medical questionnaires. These are part of the insurance contract but generally are not given to the client. Consequently do not advise the application until you have taken a photograph.

Ask whether the agent or broker routinely advises clients to renew existing policies at the guaranteed renewal rate or seeks out alternatives which may be much less expensive for the client.

In the case of firms selling investments, determine how compensation is paid. This is very important because the fees paid do not always reflect the level of service you can expect. If you are meeting with a stock broker, ask what is the commission schedule regarding shares and under what circumstances is it negotiable? You should compare this against a discount broker's fee schedule especially if you intend to make most of your own investment decisions based on your own research. If your interest is in mutual funds, determine the firm's policy regarding mutual fund sales in terms of front-end or deferred commissions. Look for a firm that offers flexibility based on your needs and trading habits. Ask if the firm puts most of its business through a handful of mutual fund managers or

whether its representatives offer you a broad range of fund companies. Ask also whether its major suppliers provide the dealer with financial support for marketing those funds.

You also want to know what is the commission and other benefits including marketing allowances a dealer receives on a specific product relative to other products?

Of course commission levels should have absolutely no bearing on an adviser's advice to a client or prospective client. But be cautious if the recommendations are for high commission products only. This question is especially relevant for insurance products and mutual funds.

Don't be shy about asking about an adviser's qualifications and experience. You want to make sure you are dealing with someone who is expert in the areas in which he or she operates and has a working knowledge of complementary topics and can recognize when to call in other experts. ■

Steven S. Belman is a coauthor with Gary Teitelbaum of *Seize Advice: Choosing the Best Financial Advisor for You*, to be released in January 1998.

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## Health MONITOR

### Shrinking tumors

Harvard medical school researchers report success in eradicating large cancer tumors in mice by using two newly identified proteins to halt the production of small blood vessels. In the journal *Nature*, Dr. Judith Folkman and colleagues say tumor cells did not develop a resistance to anti-angiostatin and endostatin, proteins discovered in Folkman's lab. In earlier research with other capillary development inhibitors, some of those agents acted directly on the tumor cells, which were then able to develop resistance. But endostatin and angiostatin not only halted growth but directly shrank tumors by preventing the development of new capillaries needed to support fast-growing cancers, the researchers report. In an accompanying commentary, Toronto cancer biologist Robert Serfati of the Sunnybrook Health Sciences Centre says that, while human applications may be years away, the new research "could herald a new era of cancer treatment."

PHOTO: JEFFREY M. HARRIS



### IMPROVING THE ODDS:

At the tender age of eight days, the last of Iowa's celebrated McCaughey septuplets was able to breathe on his own and take food through a nasal tube. Elbert Children's Hospital in Des Moines upgraded Michael Roy's condition from serious to fair after he followed the leads of his three sisters and three brothers. The largest of the infants, Kenneth Robert (above), was the first to make the transition, considered important because removal of the infamously leader eliminates a potential source of infection. The four boys and three girls were born on Nov. 15 to Bobbie and Kenney McCaughey. They experienced "sheer terror" when they learned she was expecting septuplets, said the 25-year-old mother, an Alberta-born housewife who was able to go home to Carlisle, 15 km southeast of Des Moines, last week, at home for the American Thanksgiving. But they soon came to terms with the idea, she added. "My child is a gift from God," McCaughey said, "no matter whether it's one at a time or seven at a time."

### The lure of the big screen

Following the lead of other unions, Hollywood talent guilds are suing the U.S. tobacco companies to recover millions in smoke-related medical costs paid by their members. But their suit has a twist: It accuses cigarette makers of deliberately inflating advertising costs in movies that target teenagers. Those films include *Superman II*, *Supergirl* and *Jaws*. Reid, chair of the Screen Actors Guild, the American Federation of Radio and Television Artists and unions representing screenwriters, directors and technicians. They cite a 1983 letter in which Sylvester Stallone endorsed to "Mr. Brown and Williamson tobacco products in no less than two feature films. It is my understanding that Brown and Williamson founder at Lucky Strike and other brands will pay a fee of \$500,000-750,000." The guilds also quote an actor who portrayed the "Winston Man" in advertising as saying, "It was clearly told that young people were the market that we were going after."

### AIDS: still spreading

More than 20 million people worldwide are infected with AIDS, one-third more than earlier estimates, according to a new report from UNAIDS, a UN agency. About 16,000 people are still being infected daily and, among those infected, only one in 10 knows it, UNAIDS said in the report released in Paris. "The main message of our report is the AIDS epidemic is far from over," said UNAIDS director general Peter Piot. And in Washington, a World Bank report said AIDS is having a devastating effect in the developing world, where 90 per cent of victims live. "AIDS is reversing decades of progress of improving the quality of life as developing countries," said Martha Amato, a senior economist at the World Bank and an author of the study. It and the disease has threatened years of life expectancy in Brazil, Thailand, Zimbabwe and other countries.

### Fat and the brain

In a discovery that could lead to new treatments for obesity, U.S. researchers have identified a signaling system in the brain that helps control food intake and body weight. Dr. Randy Seeley and colleagues at the University of Washington School of Medicine report in the science

journal *Nature* that the melanocortin-4 (MC4) receptor in rats acts as a conductor for leptin, a hormone known to reduce body weight by acting on the central nervous system. "It's a basic biological finding," says Seeley. Previous studies have found high levels of leptin, which is produced by fat cells, in obese humans and mice, indicating their bodies are

resistant to the hormone. Effective drug therapy to control obesity is still five to 10 years away, Seeley says, and it will take more than one drug. "There is no single thing that will treat everybody because people are obese for different reasons," he says. "Overeating and lack of exercise contribute to obesity, but there is also a genetic component."

## Toxic air, tainted land



Planters threaten worldwide fire, warning that budget-driven governments are sacrificing their capabilities to inspect and protect.

BY D'ARCY JENISH

After a tumultuous summer, the forests of British Columbia are quiet again. The loggers have left for the winter, and so have the environmentalists, their own frontiers baited with invasive resources again and spring. But the past season has left some environmentalists, particularly the in-your-face activists at Greenpeace Canada, bruised and bittered as never before. In April, their scathing report on logging practices in the province earned them the title "enemies of British Columbia" from the NDP premier, Glen Clark. In early July, online loggers stole a page from the activist movement's books, mocking two Greenpeace ships in Vancouver harbor for 48 hours. That move won the loggers applause from many government and opposition politicians, as well as some newspaper editorial writers. "What surprised us was the level of support for the blockade," said

### Activists fight to put environmental concerns back on the public agenda

Jeanne Moffat, the Toronto-based executive director of Greenpeace Canada. "That's not something we've experienced before." But many Canadian environmentalists, the public thinking of Greenpeace casual as no surprise—the 1990s, after all, have been full of setbacks. As the '90s ended, opinion polls showed the environment as the top concern of Canadians. But the subsequent recession, growing deficit consciousness and high unemployment levels have almost knocked it off the charts. While some surveys show that Canadians continue to place high value on clean air and water, other polls

now find that only one to two per cent rate the environment as the most pressing issue facing the country. Even more disconcerting for the activists, fiscally frugal governments have slashed their environmental budgets and cranked hundreds of regulations designed to protect the quality of Canada's air, water and land. As it is, from almost 200 countries cited in Kyoto, Japan, that work to consider rose, but issue—the threat of global warming—concerned environmentalists like they are losing ground on many fronts in Canada. "There's a lot of conservatism in our community," admits Monte Ezzamel, an activist of the Toronto-based World Wildlife Fund Canada. "The '90s will go down as the decade when the environment took a licking."

But many environmentalists believe the worst is behind them. While the environment is hardly top-of-mind, they acknowledge, they are convincing on Canadians to take a stand for their cherished clean air and water. Activists like Humana are hoping the

1994 World Environmental Summit in Kyoto will bring their movement a long-awaited lift. The timing may be right, as public attention to the environment often rises with economic recovery. "All our polls suggest interest in the environment is back up," says federal Environment Minister Christine Stewart. "Over 90 per cent say they are concerned enough to do something economically or to change their lifestyles."

But if that is the message the Canadian government is giving from its own soundings, more activists wonder if it is taking. For one thing, they believe Ottawa is short on its ability to protect the environment against the economics of global business. Next May, Canada and the other 26 members of the Organisation for Economic Co-operation and Development are scheduled to sign the Multilateral Agreement on Investment, a controversial pact that would limit the power national governments have to regulate the operations of foreign companies. Critics fear that multinational corporations could use the MAI to flout environmental restrictions or to seek compensation for costs

incurred by 22 per cent, from \$405 million to \$117 million, since 1983. "When you get beyond 20-per-cent cuts," says Gary Galloway, president of the Montreal-based Canadian Institute for Business and the Environment, a non-profit think-tank organization, "you substantially jeopardize the ability of governments to protect the environmental health of the public."

In fact, almost every provincial government has taken some of the punch out of laws and regulations. Mark Winkfield, research director with the Toronto-based Council Institute for Environmental Law and Policy, says Ontario's Conservation has gone further than most, amending and weakening almost every statute pertaining to natural resources or the environment since taking office 26 years ago. Mining companies, for example, are no longer required to post bonds to ensure that cleanup funds are available once they suspend operations. They can also lead and drill while exploring for minerals on public lands without obtaining permits. Similarly, companies

or individuals can build small dams, docks and boathouses without permits, even though they may be altering public waterways. In the last few years, Winkfield said, "we have seen an unprecedented dismantling of law and regulations across Canada."

The signs that air and water quality have deteriorated are unmistakable, environmentalists say. Troubling industrial accidents involving toxic substances, hasty approval of major projects with little regard for environmental consequences—these, they say, are the results of deregulation and budget cuts. Among developments the activists frequently cite to support their argument.

\* In late July, reports from the Montreal-based Commission for Environmental Cooperation fingered Ontario as the third largest producer of chemical pollutants in North America, behind only Texas and Tennessee. Using the most recent available data, the commission established under the auspices of the North American Free Trade Agreement, found that in 1994,

### 'NO CREDIBILITY ANY MORE'

When Jean Chretien's Liberal majority swung back to Ottawa in September for Parliament's opening, the anticipated hours of climate change had made into political reality. This was a business-friendly government, eager to enjoy the dividends from sweetening the deficit tiger to the ground. But a mere two months later, global warming politics had become the government's major headache, a divisive, tormenting problem that even Chretien's endemic optimism cannot sway away



Smart government puts show interest in 'back up'

from nearly 350 countries now meeting in Kyoto, Japan. As decided to agree on binding targets to reduce greenhouse gas emissions in order to temper potential climate changes. There was agreement in Ottawa that such a treaty is a noble idea or a politically popular one at any rate, but the conservatives wondered over how much to reduce emissions, how to do it and explain how. Late last week, after some delays had already left for Kyoto, the cabinet finally agreed on Canada's goal: to reduce emissions to their 1990 level by the year 2007—three years faster than the American deadline of 2010 but slower than Western European commitments. The cabinet also decided against having Cana-

da sign any legally binding convention. Why the delay? Chretien's aides said clearly that officials did not produce proper policy options in time to allow for an earlier decision. But the Liberals had four years to prepare for Kyoto, and in that time largely ignored Canada's tougher 1992 commitment to reduce emissions to 1990 levels by 2005. Instead, emissions have risen by about 11 per cent since the start of the decade, and the lack of action has been costly. Aside from having to endure daily hearings from opposition parties and interest groups, the Liberals have lost Canada's international role as a balanced arbiter on environmental issues. "At least in the past we had a reputation for being pragmatic," said one Canadian official involved in the negotiations. "But it has taken so long to get our act together that we have no credibility any more."

In addition, preparatory meetings of business groups and major environmental groups for the Kyoto talks, but little anyone could agree on it looked as if any deal at all would require extraordinary efforts by political leaders, and the toughest efforts—like monitoring and enforcing compliance—may be left for another day. The underlying lines are not environmental but economic. "We're not going to be too busy sitting up at night worrying about great floods and storms," he said. "Everybody is scared about what happens to their competitiveness and trade if they make cuts and the other guy doesn't."

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## ENVIRONMENT

Ontario industries produced almost 79 million kg of chemical wastes such as formaldehyde, arsenic compounds and sulphuric acid, either released into the air or water or transferred to treatment facilities. "To find that Ontario was right up there with a lot of U.S. states was obviously a surprise," said CBC director Jeanne Perreil. "Canadians have generally thought of themselves as being in a better position in terms of discharges."

• **Environmentals** say that two accidents at Canada's largest hazardous waste incinerator, in Swiss Hills, Alta., 200 km northwest of Edmonton, demonstrate the need for stronger regulations and better enforcement. Calgary-based Bover Inc. shut down the plant, used to destroy hazardous PCBs formerly used in electrical transformers, after a July 22 explosion damaged an incinerator, and has only reopened part of the plant. And next month, Bover of trials are to appear in court on five charges, most stemming from a PCB leak in October, 1996. In May, as a result of that leak, Alberta health officials restricted the consumption of wild game by 6,000 Indians living near the plant. Children and pregnant women were advised to eat none at all.

Company officials, who are not commenting, rejected the link to the Alberta environ-

ment department but did not disclose the amount of toxics released for several months—a lapse critics attribute to Alberta's system of self-regulation. That system also means that the government was not inspecting the plant prior to the explosion. "The guy is not on the block," said Ryan Stasenko of the Environmental Resource Centre in Edmonton. "The aggressive monitoring that used to exist is not there at the same level."

• The Ontario government is spending \$1.8 million to clean up the site of a plastics recycling warehouse in Ilwaco, B.C., destroyed last July by a fire that raged for four days. About 600 people were forced from their homes for up to three days as a toxic brew of hydrogen chloride and the carcinogen dioxin seeped into the atmosphere. And the costs could become a lot steeper. Ilwaco's lawyer Gerald Szepe is suing the government and the plant's owner, Plastimet Inc., among others, for \$200 million on behalf of the evacuees. Last year, an Ontario fire marshal's report cited 20



Glut in Northern Rockies parks: a rare victory

fire-code violations at the Plastimet facility, and the company still had not installed a sprinkler system when the blaze erupted. "A lot of environment ministry inspectors who would have been monitoring the plant

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## ENVIRONMENT

have been laid off," says Greenpeace toxic campaigner Moring Simpson.

A coalition of five environmental organizations filed a lawsuit in the Federal Court of Canada early last month to prevent work from starting next spring on the Cheviot open-pit coal mine adjacent to Jasper National Park in west central Alberta. On Oct. 2, the federal cabinet approved the project, owned by Lesco, Alta.-based Cardinal River Coal Ltd., following an environmental assessment by a panel of federal and provincial appointees. Kevin McNamara of the Ottawa-based Canadian Nature Federation, one of the groups involved in the suit, says the panel circumvented the Environmental Protection Act by focusing solely on the mine itself and ignoring related road construction and deforestation. As well, he charges, political factors influenced both the panel and the cabinet. "There was no question," he says, "that the biggest threat to the federal cabinet's mind was their relations with Alberta, and not the environment."

Even in difficult times, environmental activists can point to some important victories. Paul George, founding director of the Vancouver-based Western Canada Wilderness

Committee, notes that since 1991, British Columbia's own NIP governments have nearly doubled the amount of space devoted to parks and protected areas—to 9.5 million hectares, or 10.6 per cent of the province's land base. The latest addition came in mid-October, when Clark announced the creation of a major new wilderness recreation area, the million-hectare Northern Rockies Provincial Park south of the Yukon border, to

### Activists hope the Kyoto talks will generate more heat among the environmentally apathetic

be surrounded by a 3.4-million-hectare protected zone with tight restrictions on commercial activities. The nature area supports one of the world's largest populations of big animals—moose, elk and caribou, along with grizzly bears and wolves. "The map of B.C. is now badly distorted now versus the way it was seven years ago because of the parks and protected areas," says George.

Environmentalists in some provinces can only dream of such tangible achievements. But they do find comfort in action plans that

identify environmental protection and conservation as "core values" or "enduring concerns" with most Canadians. Douglas Miller, president of Toronto-based Environics International Ltd., says his company's surveys show that throughout the 1990s, more than 90 per cent of Canadians have remained concerned about toxic chemicals, air pollution and water quality. "The public concern for the environment is deeper than many people think," says Miller. "On these three issues, it's irremovable."

Within the environmental movement, many are counting on the Kyoto conference, and its attention to global warming, to generate more heat among environmentally apathetic Canadians. Others, however, caution that the lesson of the 1980s is that environmentalists

cannot wait for governments, or anyone else, to put their issue back on the front burner. They say the movement has to become more aggressive—launching private prosecutions against polluters and mobilizing public support for their cause. "When governments repeatedly show an inability to do things, you're never going to keep counting on them," says the World Wildlife Federation's Harwood. Environmentalists may have been knocked around in the 1990s, but there is no indication they have been knocked out. □

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## Films

# Titanic ambition

A Canadian sails Hollywood's high seas

BY BRIAN D. JOHNSON

James Cameron shakes his head. For the Canadian director who studied the helm of *Titanic*, the most ambitious movie of the decade, it is one thing to suggest that he was a screaming tyro on the set, that he (beside his crew) was overcome and that they were almost peeing out from exhaustion, and that he kept his cinema breathing in cold water until they were at the verge of hypothermia. But he insists there is no truth to a recently published story that, as a child growing up in Niagara Falls, Ont., he put mice in house made submarines and sent them plummeting to their deaths over the Falls. "What I did," he says, "is I built a submarine out of a mayonnaise jar and a crocheted towel, a paint bucket or something. I put a mouse in it and lowered it down off the bridge to the bottom of the Chippewa Creek and pulled it back up. The mouse was fine." Then he adds, "I would never be ero-



el to animals, even as the name of science." How about humans in the name of art? The director's gaze narrows. "There's a difference," he says, "between being tough and being cruel."

Cameron has made an art of being tough. The 43-year-old Canadian, who was born in Kapuskasing, Ont., grew up in Niagara Falls and moved to California with his family at the age of 17, in one of Hollywood's thinnest—the Cecil B. DeMille of his generation. Creating such blockbusters as *The Terminator*, *Tomcat* and *2 Judgment Days*, *Alien*, *The Abyss*, *True Lies* and now *Titanic*, he has a strange talent for staging scenes of massive destruction. Cameron is also a filmmaking virtuoso, a control freak who can edit directors and write, produce and edit his movies, as well as occasionally starring a cameo, landing a stunt, or directing a dail at the set with a pointer stick. Crews consider his shouts to be the most practicing in the business, the Hollywood equivalent of Outboard Board. And no one, not even Steven Spielberg, makes pictures on such a gargantuan scale.

"He's like: 'I'm in movie industry,'" says Toronto film critic Christopher Hoyle, author of the recently published biography *Director: James Cameron: The Life and Times of James Cameron*. "He has taken Hollywood by the throat and they do what he says." BBK Mechanics, president and CEO of Fox Filmed Entertainment, which financed *Titanic* with Paramount Pictures, says quite simply, "He's uncontrollable."

*Titanic*, which will finally open Dec. 19—six months later than originally intended—is the most expensive movie ever made. Cameron roasts off the final price tag at \$200 million (U.S.). In Canadian dollars, that is the equivalent of \$280 million, and roughly \$100 million over its projected budget. And with marketing and distribution factored in, the real cost of making and launching *Titanic* may run as high as \$400 million. According to the industry's rule of thumb, the movie will have to gross about \$370 million at the box office to break even. Cameron, however, seems sanguine about the stakes. "We make big pictures," he says. "That's what my career has shaped into. This is my fourth film in a row [after *Terminator 2*, *The Abyss* and *True Lies*] that has been called the most expensive film in history."

But *Titanic* is by far the most audacious, and a risky departure for a director known for making movie adventures. Hoping to emulate such epics as *Gone with the Wind* and *Doctor Zhivago*, Cameron has designed the film as a sweeping romance. He has winged the true story of the Titanic around a fictional tale of class-crossed lovers that plays like an Elizabethan *Romeo and Juliet*. It seems like a colossal act of hubris, making the biggest movie picture of all time about a ship

that was, in its day, the biggest moving object ever made, an overbearing blockbuster—especially when that ship has come to symbolize the folly of grandiose dreams.

On the 86th anniversary of the Titanic's final maiden voyage in 1912, Cameron's epic marks the culmination of a lifetime's array of Titanic lore—in books, movies, Web sites and even a Broadway play (page 89). But by virtue of its sheer scale, this movie seems to have become synonymous with the ship itself and, ever since the summer release was postponed, questions have circled it like sharks. Is *Titanic* too big to be even good? Will it sink at the box office? Will young action fans sit through a three-hour-plus epic that is half disaster flick, half period romance? Can the man who made a star of Arnold Schwarzenegger make a concert movie? Can James Cameron make folks cry? In short, has he pulled it off?

After preview screenings, the evidence is in, and the answer is yes. *Titanic* is a magnificent

spectacle. Like the ship itself, the movie is a showpiece, an immense construction of engineered beauty, and it clips right along. Sure, the drama is not watertight. The shipboard romance—between Leonardo DiCaprio as Jack, a free-spirited artist traveling steerage, and Kate Winslet as Rose, an upper-class passenger who betrays her fiancé for him—unfolds with a Disney-like naivete that is genuinely corny. But it works. And some of the action sequences, which include chase scenes and gunplay in the ship's flooded passageways, seem excessive, as if the plight of 2,000 people trying to escape a sinking ship in the North Atlantic were not drama enough.

But the historical detail is skillfully rendered, with a solid assembly of actors portraying such real-life characters as the "unminkable" Molly Brown (Barbra Streisand), Titanic designer (Earl Boust), Titanic designer (Earl Boust), Titanic designer (Earl Boust), Titanic designer (Earl Boust), and the captain, E. J. Smith (Bernard Hill).

*Titanic*, however, is an event movie as a class of its own. And, despite capturing performances from DiCaprio and Winslet, the ship is the film's undoubted star. From the glowing details to the music with all the engine rooms, it is as massive a construction that since the sailing runs into the hull, the massive weight of the Titanic tragedy begins to lead the narrative an irresistibly momentum. It's like watching the collapse of the microcosm of the doomed populace, the official command, the unofficial covenant,



Winslet and DiCaprio, Cameron (left), Titanic replica once again. The most expensive film in history

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then the panic, and the pure horror of 1,500 sea is surrendering to the icy Atlantic.

In the final scenes of the ship going down, with the nightmare of passengers sliding and hurtling from the third decks, Cameron's belated wily play comes into full play. But he also conveys the realistic side of the drama—more of the most chilling sequences shows a lone lifeboat searching for survivors among the silence of floating corpses, hundreds of them frozen in life jackets.

The tragedy is also laced by a contemporary flashback device featuring Rose as a washed, 30-year-old survivor. Exquisitely portrayed by Gloria Stuart—who emerged from a 15-year retirement to play the role—Rose tells her story to a lecture haller (Bill Paxton) who is bent on salvaging a priceless diamond necklace from a safe in the wreck. And that gives Cameron a pretext to take cruise underwater to see the skeletal remains of the real Titanic and a half laboratories below the surface of the North Atlantic off Newfoundland's Grand Banks.

The director, who went on 12 high-tech dives down to the wreck, took his cue from the makers of the 1958 IMAX movie *Titanic*. He used the same two Russian submarines, deep-sea cameras about the size of a suitcase. But while the IMAX crew was faced in film through the ship's portside, Cameron kept avert a crash-proof housing for a remote camera that allowed him to send it swimming into unexplored corners of the wreck. And by cross-fading from ghostly images of a ruined lifeboat or deck railing to their immediate recreation on the Titanic replica, the movie evokes a eerie resonance.

Joseph Madama, the first Canadian to die in the wreck in 1987, worked on the IMAX film and is now writing a book about the Titanic. "It's taken us 80 years to see what really happened that night," he said after seeing Cameron's movie. "That's the first time we've seen the reality of the chaos on that deck. The panic. Jim did a courageous thing in talking what we don't want to talk about—we're all in denial about death as a fact of life. When you see the Titanic on the bottom, there's no more denial."

A light of Cameron's fearless image, and the tale of his Captain Bligh conduct on the set, marries the movie comes as a shock. Severely dressed in grey flannels and a hooded raincoat, he is cool, unflappable, and unflappable. He can still pass for a Canadian. But in an interview, he is perhaps on the best behavior, and as he fields questions with hawk-like scrutiny, he seems eager to dispel a common misconception—that he is an invulnerable jock who likes to blow stuff up, burn up money and terrorize anyone who gets in his way.

In fact, Cameron avers that his favorite movie in the world is *The Russian Affair*, and he insists that the sentimental story he shows in *Titanic* has been with him all along. "Titanic was a love story, almost a goddamn romance," he says, "even though it's remembered

as a tech-thriller. And *The Abyss* was criticized for being over emotional and sentimental than people wanted it to be. "Filming a period romance, however, was new ground, and Cameron admits he was terrified at first. "We'll be doing some scenes with women up corners and big boys and little boys in the chair," he recalls, "and I'm just thinking to myself, 'My God, I'm doomed. Nobody's going to buy this. But a weeks because you care about the characters.'"

The making of *Titanic*, meanwhile, has redefined Cameron's image as a prodigious with a cooler demeanor for the bottom line. In fact, he says he never intended to go as wildly over budget. And in his defense, Bar Bencher, president of Cameron's production company Lightstorm Entertainment, says, "When you're trying to do something that nobody has ever done before, it's very hard to figure out how much it's going to cost." No one had ever attempted a set on the scale of the Titanic, which was constructed out of steel girders, says Bencher. "We had to build a 70-story skyscraper on a site and then move it."

Cameron, meanwhile, says the big problem was a compressed schedule. "We had two massive construction teams working simultaneously, trying over each other while we were filming in the same studio, trying to record it alone. We tried to do too much in too short a time but the people at Fox were adamant about a summer release. Well, guess what? They didn't get it."

To help compensate for going over budget, Cameron gave up his fee for directing the movie and, more significantly, his share of any profits—a \$15 to \$30 million, the studio officials say. As well as *True Love and Treasure*, 2 Audio from his screenwriting fee, he says he is not making a dime for his work. Basing late, however, allowed Cameron the liberty to edit his labor alone with more care than he had ever enjoyed in his action movies, which were all made in two releases. "I can cut an action sequence very easily," he says. "You can do it in a frenzy, and I think it's proved by that knee-jerk decision-making. But when you're cutting relationship stuff, the kind of scenes that are the bulk of *Titanic*, you need time to go through it and find that little nuance, that little thing that's happening in the eyes on take one that isn't in any of the other takes."

On the set, meanwhile, Cameron couldn't resist every detail with military precision. "I believe in having the same intensity on the set that you would have in a championship basketball game or the Super Bowl," he says. "Because I think we're playing for all the marbles. We're playing for big stakes in a very competitive form of entertainment that is seen globally, and it has to be great. There's no room for compromise." As for *Titanic*, who plays Rose's widowed Jim in *Titanic*, told Marlowe. "It is a sailor's wife carrying on set. Jim's the coach you want to please. We will lock your ass on the field and be the first to celebrate the touchdown." Asked Zane, "He's a very clever man. He'd be setting up 17 cameras and filming 500 people running all over the ship, then pause, put the leaders on and apply by hand the perfect trickle of blood on an actor's face."

Cameron's brand of perfectionism can come as a shock to m



Wrote on \$100,000,000, capturing performances in a cross-sectioned romance

## FILMS

unmistakable crew. Scottie Sells worked as an assistant director on 17-day shoot in Halifax, where Tinseltown's production crew was shot. Although she became a fan of the director's methods, "it felt like the crew found him very mean," she recalls. "It can be very abusive, very intimidating. But he can do everyone's job, usually better than they can. So when he sees incompetence or weakness or insecurity, it frustrates him, and he'll step in and take over."

Mandy Patinkin, assistant director on the Halifax shoot, is also a convert: "You work on a Jim Cameron movie and you know it's the hardest thing you'll ever do," she says. "You never get more than three hours sleep. But he pushes you to a place you thought you could never go. So many directors don't know what they want, like knowing what he wants, well you can feel it that much more."

On the last day of the Halifax shoot, the cast and crew led on something more potent—a seabird chowder that had been spiked with enough PCP (angel dust) to send it off to the hospital. They recovered, and although the culprit was never found, it is assumed that a disaffected crew member wanted to throw the Titanic piggyback off course.

Perhaps no one under goes more stress on a James Cameron set than the director himself. "It was a real high-wire act," he says. "Toward the end, I was getting pretty mugged. I was literally walking the tightrope. People were getting tired, and there were safety issues." There were no serious injuries on the set, but there was loss. The crew filmed one of the most dangerous stunts—a huge implosion of water through a glass dome—in the tailfin of an 18-hour day. "It was the 'infectious' shot—the last one before two weeks off our families," recalls James Mann, who was walled as a steadyhand operator on the Cameron movies. "We're all looking around going, 'Gee, should we be doing this when we're tired?' Who wants to go home in a box?" But Mann says Cameron took extra precautions and then dumped it wet suit to handle one of the more hazardous underwater shots before K.

So what is it with Cameron and water? Between *Titanic* and *The Abyss*, he has spent more time harnessing the power than any moviegoer in history. Could Niagara Falls have something to do with it? "It might," he laughs. "When you grow up listening to the sound of hundreds of millions of gallons of water thundering in the distance, this constant roar, it's like growing up next to the ocean. It becomes part of your life. But there was, like, a happier water life. I don't think that's it. My imagination, like it is, is happier under water than anywhere else. So there must be some water gene, some oceanic gene, somewhere."



Scene from *Titanic*: technical wizardry, near-hypothermia, and Nial

The eldest of the children, Cameron grew up in a family that owed its living to hydroelectricity. His father, Phillip, worked as an electrical engineer at a paper mill powered by Kaposki's Niagara Falls. And another hydro job opportunity took the family to Niagara Falls when James was 5. According to Hirsch's biography, "Philip was a strict disciplinarian who unconsciously bequeathed to his son a healthy respect for authority," while his strong-willed mother, Shirley, an artist and housewife, encouraged his creative side.

As a student at Niagara Falls, Cameron says he would take the bus to the Royal Ontario Museum in Toronto "and sketch airplanes—B-29s, can bombers and bomber boats." He became a skilled illustrator (in fact, for *Titanic*, he did all the life drawings attributed to the artist played by DiCaprio). And with his younger brother, Mike, who later helped him design film equipment, he received some of his first special effects, including an in-dustrial-strength catapult.

Cameron was a long-haired, jet-volcano adolescent, and the movie that changed his life was, literally, *Star Wars*. He saw it 10 times and decided he wanted to be a filmmaker. Then, at 17, he suddenly found himself on the doors of the name academy when his father relocated the family in San Angeles to take a better job.

As a teenager in California, Cameron was adrift at first. He enrolled in physics at Pullerian College, switched to English literature, then dropped out to draw, write, and study. The first of his four wives, a waitress named Sarah who worked at Bob's Big Boy, was raised after her. Linda Hamilton, the actress who portrayed the young woman, Campbell, Cameron married Cameron in July and is the mother of his child Hamilton at the latest in a series of strong women in his life. He was previously married to *Titanic* producer Gale Anne Hurd, and then *Star Trek* director Kathryn Bigelow.

In 1970, Cameron broke into the film business at Roger's (Arnold's) father's factory, where he soon earned out his own visual effects department. In 1982, he directed his first feature, *Runaway Train*. The opening—and his first stab at underwater suspense. "That this week's producer hired the 12 days into the shoot then refused to take my name off," says Cameron. "So I never considered it my first film." While trying to get his hands on the footage in Rome, he recalls, he fell ill and had a fevered dream that would change his life—"I had these images of this terrible death figure coming phantasmically out of the fire." Enter the *Titanic*.

Cameron's first *Titanic* movie, 1984, a first-of-its-kind budgeted feature, was a huge hit. Cameron's resemblance to Schwarzenegger, telling him, "I have no interest in being an actor. I am going to be a star." Cameron and Sylvester Stallone. "The director

Life-size action  
the movie  
importance of never  
on the key man



## 'You know what? I'm not a p.c., candy-assed director'

honored him, saying, 'Well, yes, it's good to have goals.' Since then, of course, with *T2* and *True Lies*, Jim and Annie have become Hollywood's toastmaster twins, masters of the action universe.

For some people, Cameron's work has come to represent everything that is tonally wrong with Hollywood movies—its intransigence, their inability and their glacial domination. His *Titanic* movie films offer some of the most unapologetic violence ever dedicated to the theme of world peace. "I've been working with the nature of violence," says the director. "*Titanic* was a very violent, but at least the violence is perpetrated by the bad guy. And *The Abyss* is a complete indictment of the industry's intransigence, and one's intransigence to man, almost in a sophisticated way."

But Cameron sees nothing wrong with pyrotechnics. "It's fun to blow things up. I liked blowing things up when I was a kid, and it's fun to blow them up now. It's not the slightest that *True Lies* is loaded with race and gender stereotypes, he is unapologetic. "It was a very tongue-in-cheek shoot-out-up. And you know what? I'm not a p.c., candy-assed director."

Social values aside, there are those who think he has had a generous effect on Hollywood's economy by pushing movie budgets into the stratosphere. But Cameron insists that's nothing new. "What about D. W. Griffith?" he asks. "What about Cecil B. DeMille? David Lewis? What about Stanley Kubrick's *Spartacus* or *Goat and the Wind*? There have always been people who believed in the optimistic scale. Everyone acts like it's a new thing, because the movie boys are unapologetic, that the cost of a lot of hotel is unprecedented. People make a big deal out of the fact that the real *Titanic* cost just \$2 million in 1911. But today it would cost half a billion."

In *Titanic*, Wiles's character makes an amazing connection about *Pirrel* and "the whole preoccupation with war." That is undeniably as it may be. Cameron admits happiness. "It can always relate to the world, people who build bridges and great machines, even though

it's now considered passé." And the *Titanic* character he best relates to is the ship's dog, Thomas Andrews, "who spent three years building this great, beautiful thing only to see it destroyed through the folly of others."

Building *Titanic* the movie, however, was a sobering experience. "Stress for me is a way of life—it's like being a commander of a nuclear submarine," says Cameron. "But now that I have a five-year-old daughter, I need to modify my lifestyle." He says he would "like to be known more as an actor's director, and as a screenwriter. And he talks of day (making a low-budget film) with no special effects.

It is hard to imagine a kinder, gentler, sweeter James Cameron. In a sense, he is the Terminator. Hollywood's unstoppable force, and his taste for adventure is not confined to the screen. Gale Anne Hurd remembers that on her first date with him they crash-landed a hot-air balloon and shot off A8-4's in the desert. "So instead, he takes it there through the desert on a dirt bike, or go-karts driving or bungee jumping. Once he went on holiday to the South Pole. "And my own challenge," he says, "is to learn how to fly a helicopter."

Cameron talks on the world with a brisling enthusiasm that might seem nearly un-Canadian. But he has never applied for U.S. citizenship, and still sees himself as an outsider in America. "I always feel like I'm Canadian," says the director. "Moving to the United States, there was a sense of excitement about the culture that I've always felt and admired about. I feel like I'm in it and I can do it, but I don't feel I'm an actor. And I feel that way now about Hollywood. Especially now, having loved my way up, I don't want to be part of it as much as I thought I did."

But Hollywood is like that. Everyone who works there talks about the place and it belongs to someone else. Or, well, the *Q*. It is a unique, a gigantic special effect. But if the *Titanic* Factory did not exist, no doubt, James Cameron, like the wizard behind the curtain, would have invented it. □



# Keeping the ship afloat

BY JOE CHIDLEY

**H**er maiden voyage was cut short from the start. Leaving port in Southampton, England, bound for New York City, the RMS Titanic—the biggest moving object on earth, the son of luxurious steamship vessel of its day, and widely considered to be invulnerable—came within inches of colliding with a nearby liner that got caught in the geyser ship's wake. Four days later, on Sunday, April 14, 1912, at 11:40 p.m., the Titanic steered against an iceberg 650 km southeast of Newfoundland. At first the damage appeared minor and even after Capt. Edward John Smith gave the order to raise the lifeboats, many passengers refused to believe the ship was in trouble. But at 2:30 a.m., the water-filled bow of the 330-m ship plunged into the ocean and, as her stern raised up, the Titanic broke in two. Within minutes, she lay on the ocean floor, 2.5 miles below the surface of the Atlantic. Of her passengers and crew, only 205 escaped on lifeboats, 1,593 people, among them the cream of Edwardian society, perished at sea. The unspeakable had happened: the Titanic had sunk.

But that is only the beginning of the story. For if the Titanic's real-life voyage ended on that moonless North Atlantic night, its journey through the popular imagination continues to this day. In



The Titanic: once the richest, wackiest dream

## A 1912 disaster at sea fuels a pop culture phenomenon

with its own element of hubris, the last pride of an era whose faith in technology and progress hardened on the religious. And it is perhaps the debaucherous fiasco story, an age of excess and luxury, represented by the capriciously repeated ship and by such wealthy passengers as John Jacob Astor, Benjamin Guggenheim and Isidor Straus, passed into history. "It's like a great Shakespearean play," says deep-sea diver Dr. Joseph MacInnis, the first Canadian to view the actual wreckage, two years after its 1985 discovery by a U.S.-French team led by American Robert Ballard. "You can get out of

the 13 years since the ship went down. It has inspired extra songs and countless theories, count less books, a Tony Award-winning Broadway musical and a best-selling computer game. It has lived on in TV mini-series, documentaries and numerous Hollywood adaptations, culminating this year with the release of the maker James Cameron's *Titanic*—the most expensive movie ever made. The Titanic has become a cultural industry in itself, an entertainment factory of well-thought proportions.

What's the allure? There have been bigger human tragedies, claiming far more lives. You have heard so much of it, or so much of its interpretation. It is the classic man-versus-nature story, a victory admittance about the supremacy of nature. It is an epic on the scale of a Greek tragedy, complete with its own element of hubris, the last pride of an era whose faith in technology and progress hardened on the religious. And it is perhaps the debaucherous fiasco story, an age of excess and luxury, represented by the capriciously repeated ship and by such wealthy passengers as John Jacob Astor, Benjamin Guggenheim and Isidor Straus, passed into history. "It's like a great Shakespearean play," says deep-sea diver Dr. Joseph MacInnis, the first Canadian to view the actual wreckage, two years after its 1985 discovery by a U.S.-French team led by American Robert Ballard. "You can get out of



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# Darwin and family

**THE BOY ON THE BACK OF THE TURTLE**  
By Paul Quarrington  
(Doubleday & McCloy, 207 pages, \$27.95)

In the spring of 1906, Toronto-based novelist and humorist Paul Quarrington took his

seven-year-old daughter, Corrie, and his 75-year-old father, Bruce, on a worldwide guided tour of the Galapagos Islands. The archipelago lies in the Pacific, exactly on the equator, about 950 km west of Ecuador. It is an unlikely place to take a little girl and her

grandfather—except, of course, that the Galapagos are famous for having inspired Charles Darwin to develop his theory of evolution, known as natural selection. Prowling with their fellow tourists over the low volcanic landscape of the Galapagos, the Quarringtons wandered at the same strange creatures Darwin did, from blue-footed boobies to marine iguanas and giant tortoises.

Quarrington—the author of much popular fiction as the Governor-General's Award-winning *Whale Mine*—got a book out of their experiences. *The Boy on the Back of the Turtle* is a charming homologue of travel writing, history, philosophical rumming, literary lore and biographical pieces, held together by Quarrington's claim that the reason he went to visit the Galapagos was to find God. He was struggling with a midlife crisis, looking for a "meaning" that would somehow resolve, if not for a moment, his doubts and fears. The Galapagos might seem an odd choice as a source of spiritual reassurance. After all, Darwin's theories undermined the biblical notion of a conscious creator. Quarrington, however, confesses he has retained from childhood a sense that there must be a God, because how else can the wonderful interlocking complexities of nature be explained? Armed with this notion—philosophically known as the "argument from design"—Quarrington sets himself up to do battle with the wisdom of Darwin's theories.

It is often difficult to know how seriously to take all this. Whenever a hint of self-spiritual angst leaks out, Quarrington quickly dilutes it with humor. Or he veers off—erratically—into such subjects as genetics or love-letter battles or the arguments between Darwin and his critics. Yet there are interludes where something more moving breaks through. At one point, watching dolphins from the deck of their tour ship, Quarrington's father reaches out and touches his son's and granddaughter's hands, where they are resting on the rail. The passage catches a moment of love between the generations, while simultaneously evoking the mystery of the natural world. When Quarrington finally concludes that God is not as much a maker present from the beginning of the world, as He is a stake towards which humanity is straggling, as it is to order humanity's account that lends his argument weight. *The Boy on the Back of the Turtle*—the title comes from an old myth about a boy who is abandoned while hunting for turtles—is not particularly evocative of the Galapagos themselves. But Quarrington is less interested in how things look than in how they play out in the convoluted backwaters of his own mind. For answers for his readers—or at least those of a certain quirky bent—that need germinate enough whimsical discoveries to realize *The Boy on the Back of the Turtle* an adventure in its own right.

JON BENDROKE

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# Allan Fotheringham

## Watching Jacques the Bigot sink the PQ

It is not exactly a secret that Jacques Parizeau and Lucien Bouchard do not like each other. The former, a self-proclaimed magnificent figure, learned both his country language ("By Jove!") and his talking in London. The latter, son of a truck driver in an isolated village, did not learn English until the age of 40.

When the partly Paranaise was flourishing in the last referendum campaign, the pious Bouchard scorned the attempt and almost saved the day for the separatists. The manna has always been there.

It is no surprise, therefore, that the disgraced old fool—having been forced to resign after his diabolical TV speech on referendums—continues to stick the dagger into his successor as Quebec premier.

How else to interpret his stubborn insistence on repeating his whimsical efforts to draw them where ever he goes? Last week it was in Edmonton, telling a university audience that he not only does not regret his odious remarks, he will repeat and emphasize them.

Just when the beleaguered Bouchard is attempting to calm nervous investors from abroad that all is well and talented in his land, Joly Jacques returns the land, a bull in the china shop, snoring all about him with his swagger stick of invective.

His "unity and ethnic values" state visit, he says, "is not a class. It's a stance." He now puts the blame on organizations such as the Jewish, Greek and Italian congresses of Canada who have "made a very good fight against sovereignty." Blaming vulgar, toothless organizations rather than actual voters apparently lessens the blow.

What Parizeau is saying, obviously, is that a vote from a Jew, from a Greek, from an Italian, is not a real vote in Quebec. It is a snout-thrust, bulldozing, value diluted by water. The only vote that counts, therefore, is one cast by a voter who can trace his bloodline to Chloé.

By this argument, naturally, Madame Richler's vote does not count as much as the ballot box as that of Bernard Lantry Belier, while born in Montreal and growing up in a poor neighborhood, has the dreadful disadvantage of having Jewish blood down in his veins.



Never mind that the raffish Richler's latest raffish novel, *Samson's House*, is topping the best-seller lists. He may be hot stuff in the bookstores in Paranaise's mind, he is only half a vote.

Never mind that last week in Vancouver the country called Canada hosted 18 leaders of the Pacific Rim countries—some wearing diadems along with the diadems. The idea, of course, is that a nation that lives and dies on exports must look outward.

The Paranaise theme is that not only must Canada look inward, disappearing up its own nose, but in Quebec it must become even more exclusive, pretending that those vile "ethnics" do not exist—and therefore their votes in such vital matters as separation don't really count.

In essence, it is an anti-democratic argument—every voter is not equal—and Bouchard must emerge as much as the very democratic René Lévesque, the god and founder of the Parti Québécois, would have at such outrage.

At the Asia-Pacific Economic Co-operation forum in Vancouver last week, Jean Charest had a party for 1,300 of his closest friends under the bubble of the B.C. Place domed stadium. At the G-7 summit in Colorado last year, the Americans put up a hearty show. Charest, not answered, confided to his aides that he would show them what a real horse-dangler would do. He decreed that the RCMP musical ride would dance in Vancouver.

After that was over, guests moved past the mud and manure to a stampede first, highlighted by one of the most remarkable spectacles these jaded eyes have witnessed. The huge Vancouver Symphony Orchestra, in concert with the Cirque du Soleil, had four acrobatic women bound to the waist rods of B.C. Place and—to the appropriate choreographic music—fell by their heels in a bungler performance.

Buckets went off. Jockeys spurred, seeking descent from the sky—and the dumbfounded he leaders, jet-legged and misadventured and sweating best, were in woodland close to midnight.

The point is not only that musicians from British Columbia and circus performers from Quebec were continuing to dazzle foreigners from abroad. The interesting point is that, perchance—by the law of averages—could there have been in the Cirque du Soleil troupe that night perhaps a Greek Canadian boy, an Italian-Canadian girl? Even, whisper it a Jew?

By Parizeau's perceptions, they would not really be true citizens. Not worthy of a full-fledged vote. Mere marginal people, whose votes on separating are not worthy of consideration—or of actual counting on vote night. It is the saddest commentary yet on a former, despotically elected premier of Quebec who is now becoming a creature of history mourning the land, being given university podiums to spout his nonsense.

Lucien Bouchard must be under his bed, his hands pressed to his ears. His war rival on the party he once headed.



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